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# West Europe Report

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25 March 1983

## WEST EUROPE REPORT

No. 2118

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PARTIES GRAPPLE WITH DUAL-DECISION STANDS; TNF STANDS POLLED

Labor Party Oslo District Debates

Oslo ARBEIDERBLADET in Norwegian 14 Feb 83 p 7

[Report on annual meeting by Olav Eilifsen and Hans L. Ruhs]

[Text] The whole annual meeting of the Oslo Labor Party bestowed great praise on the rocket committee's report during the discussion of that issue Saturday [12 February]. The party leadership also received many words of praise for its handling of the matter. The youth delegates and women delegates, nevertheless, demanded that the annual meeting decide on a definite no right now to the stationing.

When it came to a vote this was rejected. The majority position of the party committee, which supports the rocket committee's proposal, was adopted by 112 votes to 72.

The annual meeting of the Bergen Labor Party, which was also held over the week end, voted unanimously to back the rocket committee's proposal. A proposal by a group of AUFers [members of the Labor Party Youth Organization] for an addition that would oblige the party to say no to any stationing of new atomic weapons was rejected by 65 votes to 37.

Besides the rocket issue, the annual meeting of the Oslo Labor Party was marked by sharp argument on whether the party should insist on the Marka boundary. Representatives of the Oslo Cooperative Organization fought hard for a change proposal to the effect that new development areas northwest of the present building limit must be evaluated during the period. The arguments were that neighboring communes will take industrial jobs away from Oslo unless the city manages to create equally reasonable industrial areas.

There was an exciting vote on whether the party should advocate freezing collective rates or whether it should demand lowered prices. The freeze advocates won by 113 votes to 107.

## On the Way to Unity

Oslo ARBEIDERBLADET in Norwegian 14 Feb 83 p 7

[Interview with Bjørn Tore Godal]

[Text] "Before we can unite the country on a new disarmament strategy, we must unite the party," said Bjørn Tore Godal, chairman of the Oslo Labor Party, when he opened the debate on the rocket committee's proposal at the annual meeting Saturday.

[Question] What do you say now after the party committee's majority position also got a majority at the annual meeting--is the Labor Party closer to agreement on the rocket issue?

[Answer] Well, the clear support for the rocket committee's position at the Oslo party's annual meeting is an important step on the way to complete unity in the disarmament work. In view of all the laudatory comments that were made on the rocket committee's position, I feel that even the minority share that positive appraisal. When the Labor Party makes specific proposals in the spring session of the Storting that are against preparations for stationing [new atomic rockets], that will also be a strong signal. It will contribute to unity--not only of the party but of all rocket opponents. The object of presenting such proposals before the Storting is for Norway to be able to send to the NATO meeting in June a defense minister who is opposed to the stationing. If it takes a government crisis to bring that about, we'll just have to have a government crisis.

Timing?

[Question] Both you and Gro Harlem Brundtland emphasized in the debate that it is clear in the rocket committee's proposal that we are opposed to the stationing of new rockets. Why can't the party--as the minority at the annual meeting wished--adopt a no to stationing now?

[Answer] Because a freeze is a good enough no. Because stopping the preparations and the work on stationing is a good enough no. Because we want support not just from most but from all of those we must have with us in West Europe and in Norway to make up a majority against the governments of the Netherlands, Belgium, Denmark, and the FRG. Because we should not feel a need to paste the party members who need time to digest the rocket committee's proposal further up on the walls and off in the corners than they already are. And last but not least, the proposal of the rocket committee and the national committee is a unifying and serious disarmament program that can get support in the Storting. That is what is brewing in the Center Party and the Christian People's Party. Johan J. Jakobsen and Kjell Magne Bondevik are not representative of broad groups in their own parties. The cessation alternative will grow stronger in those parties if it is our offer.

Freeze

[Question] At the annual meeting there was a certain debate about what the freeze alternative really involves?

[Answer] The party committee thinks the right thing may be to take the United Nations freeze resolution as a basis. That means, among other things, that we must vote no to the stationing if the United States and the Soviet Union arrive at an agreement on partial stationing.

[Question] At the annual meeting you said that "Within his limitations Andropov appears to be a reasonable man." Do you mean by that that there is now greater willingness to negotiate in Moscow than in Washington?

[Answer] I do not like for the two to be compared in this way. Both great powers often stand for views that do not serve our interests. As the negotiating situation is today, however, it is a fact that it is Reagan that must now give a constructive response to a constructive initiative by Andropov.

#### Election Victory Closer

Oslo ARBEIDERBLADET in Norwegian 14 Feb 83 p 7

[Interview with Thorvald Stoltenberg]

[Text] "Now that we are moving toward complete agreement in the Labor Party on disarmament policy, we have increased our chances of an election victory in Oslo in the fall considerably.

"With our comprehensive and sober programs we shall convince the voters that they will have a safer and happier city with us in charge."

That was the first answer given by Thorvald Stoltenberg, candidate for chairman [of the city council] when ARBEIDERBLADET asked him to comment on the result of the annual meeting of the Oslo party.

Margin

Like many others, he was obviously relieved that the municipal election campaign will no longer be a wrangle over atomic rockets.

"Now we can use all our margin to tell the voters that we, united, will have it better with our way of allotting the city's resources and assets.

"They shall know that we are not putting them off with empty promises. We are campaigning on a policy that ensures enough resources to give all young people a job that they want, to provide support and help to the old in their home or in a home for the aged, to provide residential areas with traffic safety, housing ordinary people can afford to live in, better public services, and more equal access to cultural activities."

Trustworthy

[Question] Oslo's economy does set certain limits for all you want to accomplish, does it not?

[Answer] At least we are not going around promising tax relief like the Conservatives. This year's tax reductions took 70 million kroner away from Oslo. That

would have been good money to have to invest in improving the living conditions of those who have least for housing and expenses.

Our policy will be to ensure Oslo enough funds to maintain community services and if possible improve them. On the revenue side we are counting on what Oslo has within reach in the coming town council term. Our program is based on real revenues. That makes our policy trustworthy.

[Question] What do you mean by within reach?

[Answer] There are several possible ways of getting Oslo coverage for improving the public efforts. In the long run there is hope of fairer reimbursements by the state. A new revenue system for the municipalities will probably give Oslo extra subsidies for solving special big-city problems. We shall demand to keep more of what we now pay into the tax equalization fund.

Also, we cannot give up the demand for increased property tax from those who can afford to pay it. We must continue to negotiate with Akershus county and the neighboring municipalities for increased contributions to Oslo's cultural offerings and public services.

CityWall

[Question] You have even threatened them with roadblocks and city walls if they do not pay more. Are those empty threats, or do you mean it?

[Answer] It goes without saying that we shall do everything to achieve this by negotiation. But if they hesitate too long we shall have to take drastic measures. We will not stand for Oslo people's suffering because users of Oslo services will not pay for them.

[Question] You want to combat Oslo's increasing crime rate. How?

Integrated Policy

[Answer] The police say that it has increased. That is, under 7 years of Conservative administration. They did not manage to provide the security that Jan P. Syse promised in 1975. We in the Labor Party know that it is not just more police that will solve that problem. An integrated policy is needed that prevents crime. We shall do that by giving work to the young, creating residential areas where people are stimulated to cooperation and mutual aid. This also includes possibilities of enjoying ourselves together. The Oslo carnival planned for the summer is a step in that direction.

Oslo Labor Party's Stand Viewed

Oslo ARBEIDERBLADET in Norwegian 14 Feb 83 p 4

[Editorial]

[Text] The annual meeting of the Oslo Labor Party was a new confirmation that a united Labor Party is working for no new atomic weapons to be stationed in West Europe and for the Soviet medium-range rockets in Europe to be dismantled. The final objective is to get all atomic weapons removed.

The lack of agreement that found expression on the rocket issue at the annual meeting had to do with what strategy shall be followed to attain the objective that is contained in the Labor Party's disarmament program. A solid majority backed the plan that was drawn up by the so-called rocket committee and that had previously gotten unanimous support in the Labor Party's national committee, in the party's Storting delegation, and in the secretariat of the LO [Norwegian Federation of Trade Unions]. The minority at the annual meeting in Oslo also expressed itself positively in debate about that plan.

The rocket issue attracted great interest beforehand. There was also an interesting debate, which led to a clear decision. We consider that very important. Even though many, fortunately, are ardent in the fight against atomic weapons, such a debate still must not overshadow the important political tasks that the Oslo Labor Party, as a municipal party, must assume in relation to the people who live and dwell in the nation's capital. That is especially important in an election year. We are glad that the annual meeting--not surprisingly--understood its responsibility in this field as well. It was first and foremost the party's policy and program that dominated the annual meeting. When Thorvald Stoltenberg, the Labor Party's candidate for chairman of the Oslo city council, moves on into the election campaign, he knows that he has a united party behind him. And he will know that he and all the others that will be working with him to ensure a good election for the Labor Party in Oslo are presenting a policy that is needed, a policy that will help to solve many of the problems that the inhabitants of Oslo are experiencing today.

The experience of 7 years' Conservative rule in Oslo is almost frightening. From being a good commune with a solid economy, sector after sector is now characterized by scarcity and decline. This also sets limits to the social promises that the Labor Party can make. As a responsible party, the Oslo Labor Party knows the limits within which the commune must be run. But the Labor Party also knows that within those limits a much better policy can be followed than the one that the Conservative Party stood for. The cue here is a better distribution. The Labor Party wants a social distribution such that Oslo will become a best possible city, not for the few, but for everybody.

As a big party, the Labor Party must direct its efforts toward all fields. But one thing stands out as especially important. At the annual meeting Thorvald Stoltenberg pointed out the conditions for the elderly in the city, the young people, urban renewal, safeguarding jobs, and better public transportation service.

Oslo has everything the best in Norway, but in no other city in the country are the inequalities so great. The desire to smooth out the differences in living conditions runs like a red thread through the Labor Party's policy for Oslo. If possible, more attention must be given to integrated solutions and the community's own economy must be strengthened.

The annual meeting put into the program the promise that the Labor Party will freeze bus, streetcar, and train fares for the coming 5-year period. That is a policy that will contribute to restoring public transportation as by far the best transportation alternative in the [area].

The Oslo Labor party together with the national party will also contribute to restoring the social housing construction that the Conservative Party has



knocked the props from under. That is a big and important national task. It helps little to build housing as in Oslo the Labor Party calculates that there are areas enough for a reasonable expansion of both housing and the economy for this century. The party therefore continues to represent the strongest opposition to expansion of Marka.

Of other specific promises with which the Labor Party is entering the election campaign, many will note that the party guarantees that no more elementary schools will be closed down during the term of office.

The Labor Party's program is a program for running Oslo. The Conservative Party has shown during its 7 years that it is not up to the task. On election day, 12 September, the voters have an opportunity to get a change of system. They should seize the chance. The Labor Party has both the policy and the crew that are needed.

#### Poll; Those Knowledgeable Support Dual Decision

Oslo AFTENPOSTEN in Norwegian 19 Feb 83 p 9

[Article by Arild Isegg: "Connection Between Attitude Toward NATO and the Dual Decision"]

[Text] There is a very clear connection between people's attitudes toward NATO and their view of the dual decision. Among those who think the NATO link is important, a clear majority support the dual decision. If we start with those who support the dual decision, we find that practically all belong to the group that consider the NATO link to be important.

In this week's poll Norwegian Market Data follows up the opinion poll that was published in AFTENPOSTEN for 22 January. It showed that the population can be divided into about three equal groups in regard to attitudes toward NATO's dual decision on stationing rockets in West Europe if the Soviet Union does not dismantle its medium-range rockets. One-third of those asked (34 percent) supported the measure, one-third (33 percent) thought that new NATO rockets should not be stationed regardless of what the Soviet Union does, while one-third (33 percent) were in doubt.

Now Norwegian Market Data is publishing the answers to still another question that was asked; "How important would you say it is that Norway's defense is linked to NATO?"

The distribution of answers is as follows: Very important 52 percent, rather important 20 percent, slightly important 7 percent, rather unimportant 4 percent, quite unimportant 6 percent, don't know 11 percent.

There are great differences here depending on the political sympathies of those asked. Among those who vote for the Labor Party there are 41 percent that say it is very important and 26 percent rather important. In the Liberal Party and especially in the Socialist Left Party there are fewer who regard the NATO link as important. Among those who vote non-socialist there are a clear majority who

say that the NATO link is very important.

A cross-sorting of the question about the attitude toward NATO and the attitude toward the dual decision gives the following table:

	All Asked	View of NATO link:				
		Very Important	Rather Important	Slightly Important	Rather Unimportant	Entirely Unimportant
	%	%	%	%	%	%
Attitude toward DUAL DECISION						
- Support it	34	55	21	5	5	4
- NATO rockets should not be stationed in any case	33	18	39	59	80	80
- Doubtful	33	27	40	36	15	16
Total Percent	100	100	100	100	100	100

Among the just over one-half that say that the NATO connection is *very important* there is also a clear majority that support the dual decision, while 18 percent are opposed. Among those who say that the NATO connection is *unimportant* only 4-5 percent give their support to the dual decision, while 80 percent say the NATO rockets should not be stationed regardless of what the Soviet Union does.

The connection between the NATO attitude and the view of the dual decision becomes still more striking if we cross-sort in another way and start with the view of the dual decision. Among those who support the decision there are 84 percent who say that the NATO connection is *very important* and another 13 percent who say that it is *rather important*. For purposes of comparison, among those who oppose the dual decision there are 28 and 23 percent respectively that say that the NATO connection is *very important* and *rather important*.

Norwegian Market Data also asked two other questions. One ran: "When it comes to preventing Norway's getting involved in war, how important would you say it is for Norway to have a strong national defense?" The result was: *Very important* 52 percent, *rather important* 21 percent, *slightly important* 7 percent, *rather unimportant* 7 percent, *entirely unimportant* 6 percent, *don't know* 7 percent.

The other question ran: "How important do you believe the United Nations is as a means of preventing war?" The breakdown of answers was: *Very important* 30 percent, *rather important* 23 percent, *slightly important* 17 percent, *rather unimportant* 12 percent, *entirely unimportant* 7 percent, *don't know* 11 percent.

## Labor Party Districts Continue Debate

Oslo AFTENPOSTEN in Norwegian 21 Feb 83 p 3

[Text] A unanimous annual meeting elected Storting member Reulf Steen chairman of the Akershus Labor Party yesterday. The rocket issue characterized the annual meetings in four of the Labor Party's district parties over the week end. In Oppland it is demanded that the party oppose any stationing of new medium-range rockets in West Europe now, in direct opposition to the party leadership's official view.

The annual meeting of the Akershus Labor Party winds up backing the national committee's position. The drafting committee of the annual meeting proposed in addition that any further development, production, and stationing of new atomic rockets should be opposed.

During the debate that followed it became clear that such a proposal would not get unanimous support. The committee therefore moderated its proposal to the effect that any further development, production, and stationing must be avoided. The resolution on disarmament was then adopted unanimously.

Like the Sør-Trøndelag Labor Party, the Akershus Labor Party assumes that all types of nuclear weapon will be frozen and that agreements to that effect must be followed by negotiations on dismantling nuclear weapons.

The Akershus Labor Party also states that the party cannot accept a "little by little" solution involving a restricted stationing on both sides.

The annual meeting of the Hordaland Labor Party resolved by 107 votes to 36 to support the national committee's rocket position. The minority voted for a proposal by AUF representatives on the drafting committee to oppose stationing of rockets regardless of the results of negotiations at Geneva.

"The Labor Party's rocket position appears to unite not only the party, but also the greater part of Norwegian opinion. The position combines the demand for a feeling for realities with definite standpoints in principle against the atomic arms build-up and the insane arms race," Einar Førde, member of the Storting and vice chairman of the Labor Party, said in his introductory speech at the annual meeting of the Hordaland Labor Party Saturday.

## Liberals Attack Dual Decision

Oslo AFTENPOSTEN in Norwegian 18 Feb 83 p 5

[Article by Thorleif Andreassen]

[Text] "Abandon NATO's dual decision!" That appeal is addressed by the Liberal Party to the Labor Party, the Christian People's Party, and the Center Party. The three parties, according to the leadership of the Liberal Party, should agree with the Liberals' security policy--even if they themselves are not sure about it.

"In practice and after time to think it over, these three parties must land on a defense policy platform that is very similar to the Liberal Party's." That is what Odd Einar Dørum, the party chairman, said at a press conference yesterday [18 February]. And Dørum outlined the Liberal Party's platform as follows: We say no to atomic weapons. But yes to defensive, conventional armed forces within NATO.

The party is arranging a comprehensive disarmament conference in Oslo for 18 and 19 April. Speakers will come from East and West. They include Lord Solly Zuckerman, British scientific adviser, who will talk about "The Nuclear Illusion and the Necessity of a New Strategy." The American Dr Randall Forsberg is doing research at the Institute for Defense and Disarmament Studies. She calls her lecture "Why Freeze?" It is not known who will come from the Soviet Union. But it is assumed that it will be one of Dr Grigoriy Arbatov's colleagues. Arbatov is director of the United States and Canada Institute in Moscow. The title of the Russian lecture is: "The Geneva Negotiations and Afterwards--from a Soviet Point of View."

"Is the Liberal Party's security policy platform unrealistic in the current situation?"

"No, we reflect an international and national debate among professional military men," Odd Einar Dørum asserts.

"The Liberal Party's initiative on, e.g., the dual decision can do more harm than good, can it not?"

"The situation is so serious that it is necessary to recheck other demands and further arms build-up."

#### Red Electoral Alliance Hits USSR

Oslo AFTENPOSTEN in Norwegian 21 Feb 83 p 5

"SS-20 Rockets. The Soviet rockets that are already in position must be dismantled under international supervision," we read in a statement from the Red Election Alliance, which says that Norway must present proposals for hard economic and political sanctions against the Soviet Union to push through the dismantling of the SS-20 rockets. The Red Election Alliance also rejects NATO's plans to station new rockets in West Europe, and wants to strengthen the conventional defense capability.

8815

CSO: 3639/73

## NEW FIELD OF 'PEACE RESEARCH' SEEN ONE-SIDED IN APPROACHES

Oslo AFTENPOSTEN in Norwegian 19 Feb 83 p 3

[Article by Arild Isegg: "Peace Research--a Flexible Science"]

[Text] The Institute for Peace Research has put out a detailed report on the work of 1981-1982. The most striking thing about it is what is not there. There is not one word about the matter with which the institute has drawn most attention to itself in that period: The criminal case against Nils Pøtter Gleditsch and Owen Wilkes which ended with their conviction in the Oslo magistrate's court in 1981 and in the Supreme Court in 1982.

The case concerned publication of materials on technical intelligence in Norway, culminating in the publication of a report in book form at the Pax publishing house under the title "Onkel Sams kaniner" [Uncle Sam's Rabbits] in 1981. The two investigators' work was part of the institute's most extensive project, on military infrastructure in Norway and Norwegian base policy.

Gleditsch, as project director, and Wilkes, as assistant, were convicted of having disclosed military secrets to the prejudice of the national security. They had carried on an activity which--according to the first member of the Supreme Court to vote--considerations of freedom of research and freedom of speech could not justify.

The case gave new fuel to the suspicion with which the Peace Research Institute has been surrounded. It raised justified doubt which strengthened the impression of many that the institute is a research establishment in which partially politically motivated research is conducted, or even politics camouflaged as research. The researchers implicated also gave as part of their motivation a skepticism about official Norwegian defense policy. It helped little that the management of the institute saw the error of its ways and admitted that the report would not have been published if it had been thoroughly evaluated in the institution's agencies beforehand.

It is understandable per se that this situation is passed over in silence in the annual report. It was a burden on the whole work of the institute, including the parts that were free of critical implications. But it is surprising, nevertheless, especially as Tord Høivik, the director of research, discusses

in a long introduction the relationship between research, mediation, and politics. There he offers comments that--besides being remarkable--often direct one's thoughts to the Gleditsch case.

Høivik discusses among other things the researcher's responsibility for breadth, judgment, and self-criticism. This responsibility is greatest in regard to simple facts, he writes, and considerable in regard to hypotheses and relationships, but much less when it comes to the choice of theories. For the researcher will most often be tied to one theory. "Change of theory is hard and disagreeable--big intellectual investments go down the drain." Besides, researchers, like everybody else, have deep and strong views on what a society's innermost values are, or should be, Høivik points out.

In other words, a disclaimer of responsibility that increases with the distance from the level at which the demands on "research" are minimal and at which it is easy to check what the researcher presents, namely where he is dealing with simple facts.

Høivik defends this absolution from responsibility by saying that it is the research world as a whole that stands for balance. In another connection Høivik advocated something similar: the Peace Research Institute is marked by those who find their way to the institute, but that is all in order as long as the research as a whole covers the whole range of points of view.

It has been a point of complaint against the Peace Research Institute that it has a one-sidedly constituted milieu. For example, during 1981-1982 thirteen conscripts doing civilian service [as conscientious objectors to military service] were connected with the institute, some of whom were given permanent positions after completing their service time, and several of them were Gleditsch's collaborators on the aforementioned project. With Gleditsch as project director and conscientious objectors as his assistants, it is obvious that the approach to the subject was bound to be "one-sided."

The idea that a possible balance effect in the research world as a whole should free the individual institute or the individual researcher from an independent obligation to satisfy scientific demands for "breadth, judgment, and self-criticism" cannot be acceptable. Especially if the research is to have the ambitious goal, as Høivik insists, of imparting greater objectivity to politics--in a field where the debate is as charged as in security policy. For one who makes use of research works it is unreasonable to have to orient himself in a flood of material to work his way to a balance point where the objectively tenable is possibly to be found.

Research that behaves in such a flexible way in regard to scientific standards may easily produce results that cannot lay claim to particularly greater unassailability than utterances from non-scientific circles, e.g. politicians. It justifies somewhat greater humility on the part of researchers that throw their weight into the balance in political debate, and less inclination on the part of others to attach weight to a statement because it comes from a researcher.

This last has been a justifiable starting point for evaluating some of the Peace Research Institute's work. But it is regrettable if research institutes and researchers contribute further to undermining confidence in them. We have no

big research milieu in Norway, in the security policy field or elsewhere. Unfortunately, it must be admitted that in this field--as in much of what political interests revolve around--there is hardly an institute that has not in greater or lesser degree set itself apart from a generally accepted impartial position.

8815

CSO; 3639/72

THEATER FORCES

NORWAY

BRIEFS

LABOR PARTY LOCALS ON TNF--One by one the Labor Party locals are giving their support to the main points of the rocket resolution. Last week end it was Oslo and Bergen that dealt with the issue at their annual meetings. But the support was not given without opposition. Strong minorities wanted to say no now to the stationing of new rockets. In Oslo the vote for the "party line" was 112 to 72, in Bergen 65 to 37. [Text] [Oslo AFTENPOSTEN in Norwegian 19 Feb 83 p 3] 8815

CSO: 3639/72



## PIREAS ALLEGED CENTER OF ARMS THEFTS NETWORK

Athens ELEVTHEROTYPIA in Greek 20 Feb 83 p 1

[Text] The network which directed the recent acts of sabotage in the Armed Forces--thefts of arms and ammunition in different units, leaking of secret documents, firing of an anti-tank projectile, attempt to explode mines (the Khios affair), etc., was identified.

The center of the network, which was identified by the military investigative services, is located in Pireas and has--as stated by a high officer of the special services--connections within and outside the military.

The Army investigative services are maintaining total secrecy and have not even informed the police, which had been involved in the matter circumstantially. They have suggested to the police that they "stay away from the case because it involves the security of the Armed Forces."

Mainly Retired

The network--as reported by exclusive KYRIAKATIKI ELEVTHEROTYPIA sources--is made up of far-Right elements who maintain "close and frequent" contacts with foreign agents and, as was confirmed by a high officer,

"They have minimal support within the Armed Forces and the main group is composed of civilians and retired military."

The objectives of the sabotage network were (and are, since the ringleaders have not been apprehended):

1. To disturb the peace in the Armed Forces and to damage the government's actions at a time when national matters are under discussion;
2. To form groups for bombing activities within our border units as their main objective (as happened in Khios, Drama, Edessa, etc.);
3. To influence the performance evaluation of officers, which will begin the end of the month.

KYRIAKATIKI ELEVTHEROTYPIA has knowledge of many more details such as who is heading the investigations, what event brought about the identification, what documents were found in the hands of the saboteurs, etc., but refuses to publish them because the investigation is continuing "and needs a lot work yet," as our source stated, and the revelation of the details would prejudice the investigative process.

## GOVERNMENT AGENCY REPORTS ON IMPACT OF OIL PRICE DROP

Helsinki HELSINGIN SANOMAT in Finnish 23 Feb 83 p 23

[Article: "Cheaper Crude Oil Reduced Retail Prices"]

[Text] An average price reduction of 4 percent in oil products will mean a savings of 822 million markkaa for the consumer calculated over a period of a year.

The price reduction decision was made in the Administration of Commerce and Industry on the principle that recent price reductions in crude oil imported from the Soviet Union and the North Sea will be passed on in their entirety to consumer prices.

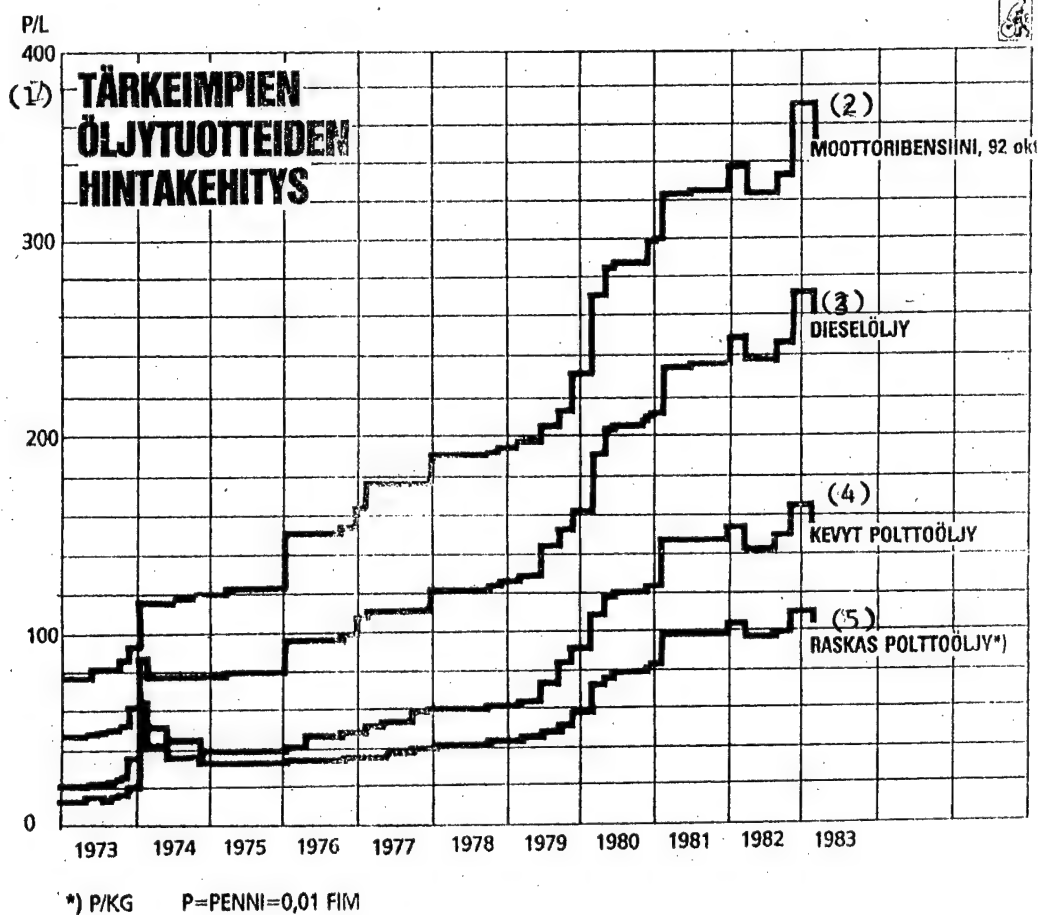
According to the decision of the Administration of Commerce and Industry approved by the government's ministerial-level economic policy committee, the prices of the most important oil products were reduced last night as follows: the price of gasoline dropped 17 pennies per liter, diesel oil 10 pennies, light fuel oil 5.4 pennies, and heavy fuel oil 5.4 pennies per kilo.

In percentages the reductions are distributed as follows: gasoline dropped 4.4--4.6 percent, diesel oil 3.7 percent, light fuel oil 3.3 percent, and heavy fuel oil 4.9 percent.

The reduction will have the direct effect of dropping the consumer price index by 0.24 percentage points and indirectly as a reduction of 0.11 percentage points in heating costs and otherwise another 0.17 percentage points or a total of 0.52 percentage points. The reduction of the price of heating oil will reduce heating costs by 14 pennies per square meter.

In the same connection the Administration of Commerce and Industry decided to increase the distribution commission of the oil companies handling the distribution of gasoline. The 2-penny increase per liter of gasoline will be distributed in such a way that the oil companies will receive 1.8 pennies and the service stations will receive 0.2 pennies.

The government's ministerial-level economic policy committee also gave particular attention to the position of service stations in the Tornio River valley. Their operational conditions have become weaker as the result of reduced



**Key:**

1. Price development of most important oil products
2. Gasoline, 92 octane
3. Diesel oil
4. Light fuel oil
5. Heavy fuel oil

prices for gasoline in Sweden. The ministerial committee proposed that the oil companies can take care of the continuation of service station operations on the Western border by means of internal arrangements in proportion to the increase in the distribution commission.

Foreign Trade Minister Arne Berner hastened to appeal to the oil companies that they themselves now attempt to ensure the continuation of service station operations and the availability of domestic liquid fuels in the Tornio River valley.

In the same connection Berner also hoped that the pricing decisions regarding oil products will also have a positive effect on income policy negotiations.

#### Gasoline's Share Dropped More

During the last year consumer prices for oil products changed three times. The effect of a price reduction in the early spring was greater than now. At that time the savings to consumers was a full billion. Prices increased twice in the fall. For example, the eruption of dollar and devaluation pressures in November increased the price of gasoline by 35 pennies a liter.

The price reduction accomplished now was directed at various products in such a way that the price of gasoline fell more than if the reduction had been distributed evenly. Managing Director Seppo Rautio of the Administration of Commerce and Industry says the emphasis on gasoline is a result of the fact that gasoline had gone out of control in the previous pricing. "Now this kind of an adjustment had to be made," states Rautio. Without an adjustment gasoline would have become cheaper by only 10 pennies.

The preferential treatment of gasoline was the result of its high price relative to the international level. On the other hand, light fuel oil in Finland is among the cheapest in Europe.

#### A Future Reduction Already Included

Managing Director Seppo Rautio of the Administration of Commerce and Industry considers it probable that crude oil prices will fall even further in the world markets. The reduction announcements regarding Soviet and North Sea crude were only the first.

Rautio states that the downward trend in the oil markets was taken into consideration in making the decision on Tuesday.

"If there is another price reduction in the world markets, a portion of this has already been included in our pricing. The official price level is still above that level on which this decision was based." The current week seems to be decisive in the development of the world markets according to Rautio.

#### Small Reduction Reflected Directly in Prices

The lowering of prices corresponds with the reduction of the crude oil prices negotiated by Neste. Oil imported from the Soviet Union dropped from a little less than 32 dollars a barrel (159 liters) a full a week ago to a little less than 30 dollars and North Sea oil dropped approximately the same amount.

The share of Soviet oil in the reduction of consumer prices is 710 million markkaa. Taken together the reductions will amount to 821.8 million markkaa this year.

Demands to moderate the fluctuations in oil prices either by funding or taxes are temporary in the opinion of Managing Director Seppo Rautio. According

to him, shoring up prices will be resorted to only in the event of drastic changes. At that time means should be considered for avoiding drastic changes. "A drastic drop can easily be followed by a the same kind of a rise and a seesaw movement must be moderated," states Rautio.

At Neste it is considered correct that the reductions now obtained in crude oil prices can be passed on to the consumer. "It is completely positive that everything now went to the consumer and without delay," states Assistant General Manager Kai Hietarinta.

Hietarinta considers that postponing the transfer of crude oil prices presupposes an essential reduction of the price level.

#### Industry Would Have Placed Emphasis Differently

Industry has adopted a positive attitude toward the complete transfer of price reductions in imported oil to consumer prices.

However, the Industrial Association would have passed on greater reductions to heavy fuel oil used in production and diesel oil, which affects transportation costs.

The forest industry is especially concerned about the high price level of heavy fuel oil. "Compared to the international markets, heavy fuel oil in Finland was 200 markkaa more per ton before the reduction and the difference is still 150 markkaa per ton after the reduction. For example, our Swedish competitors are buying as much as they can from the international markets," points out Director Pentti Sierila of the Forest Industry Association.

In Sierila's opinion Finland's pricing mechanism is entirely too slow and rigid. The reduction of prices at the international level has been apparent for a long time already.

In the opinion of the Oil Association the reduction of the oil price will mean a welcome stimulus to the economy. The association considers the distribution of the reduction among the various products to be generally correct.

On a percentage basis the largest reduction was given to heavy fuel oil used by industry. However, the association states that it had also hoped for a greater reduction in the price of light fuel oil from the point of view of the cost of living.

10576

CSO: 3617/79

## EFFECTS OF LOWER USSR OIL PRICE FOR ECONOMY ANALYZED

Helsinki HELSINGIN SANOMAT in Finnish 15 Feb 83 p 21

[Article: "Consumer Prices Will Drop in A Couple Weeks"]

[Text] The price of crude oil imported from the Soviet Union to Finland is going down. On Tuesday the price of Soviet oil was adjusted in a contract signed between Neste and the Soviet supplier of oil to correspond with the present price level of oil on the international markets.

It is expected that a reduction in consumer prices will be felt within a couple weeks. The average reduction could be 6--10 pennies per liter.

General Manager Jaakko Ihamuotila of Neste did not want to disclose the amount of the reduction referring to past practice observed in trade between Finland and the Soviet Union.

Neste issued the following announcement on the oil negotiations: "The negotiations conducted between Neste and the Soviet supplier of crude oil have resulted in a new price level, in which the present market situation as well as the prevailing price development have been taken into consideration. Neste will initiate negotiations with price officials on the reduction of consumer prices in a manner made possible by the new price level of crude oil. In an especially difficult market situation in the area of oil Neste is striving to ensure that the consumer will reap the full benefit from the reduction in the production costs of refined oil."

#### A Reduction of A Couple Dollars

A while back the Soviet Union reduced the price of oil sold to certain European oil companies by a couple dollars. For example, Soviet oil has been sold to an Italian oil company at the price of \$29.35 a barrel ( = 159 liters).

Until now Finland has paid 31--32 dollars a barrel for oil imported from the Soviet Union. The reduction agreed upon now has reduced the barrel price to the \$30 level, perhaps even less. The price level of oil on the international markets is quite unstable at this time. For example the grade of crude oil imported from the Soviet Union to Finland corresponding to North Sea oil has been selling on the international markets at \$28.50 a barrel.

According to Ihamuotila, the difficulty in unambiguously determining the present international price level has also complicated the current oil negotiations.

Ihamuotila describes the final outcome of the negotiations as good from Neste's point of view.

When the price of Soviet oil was calculated in January, such a reduction was considered to be marginal, which did not provide sufficient justification to reduce consumer prices. This time Ihamuotila described the reduction as definite and significant.

#### "Dollar Holding Its Own"

According to Managing Director Seppo Rautio of the Administration of Commerce and Industry, consumer prices for liquid fuels will come down "in a couple weeks".

The reduction agreed upon on Monday between Neste and the Soviet Union will be discussed next Wednesday already in a broad official working group, which will include representatives from the Finance Ministry, the Ministry of Trade and Industry, and the Bank of Finland.

From the working group this matter will be turned over to price officials, who will again consult with Neste and gasoline dealers. After that, the package will be sent to the government's ministerial-level economic policy committee, which will put the finishing touches on it sometime at the end of next week.

In addition to the \$2.15-reduction in the price of a barrel of crude oil, price official will also have to consider the previous reduction of 70¢ agreed upon in January, which has not yet been reflected in consumer prices.

In addition to the price reduction of crude oil, consumer prices will also be affected by the demands of the gasoline dealers to increase their own sales commission and above all by the value of the U.S. dollar since Finnish and Soviet oil transactions are determined in dollars.

"The value of the dollar has held its own in the last few weeks," states Rautio. The negotiated agreement was based on a dollar valued at 5.39 markkaa. On Monday the value of the dollar was a couple pennies below this level.

The penny reductions in various liquid fuels will depend on how the reductions are weighted between gasoline, light fuel oil, and heavy fuel oil. On Monday Managing Director Rautio did not want to guess the amount of the reductions before "all the issues and demands have been clarified".

Finland's oil bill will be reduced by an estimated 600 million markkaa at the end of the year as a result of the decision made on Monday.

### Trading-Transactions Will Expand

The reduction of the price of Soviet oil will cause additional problems for trade between the two countries, which for a long time already has represented a perceptible surplus for Finland. The reduction in the value of imports from the Soviet Union in proportion to the reduction of the price of oil will make Finnish exports to the Soviet Union more difficult since trade between the countries must be balanced over the long term.

For the purpose of balancing this trade, Neste began so-called trading transactions or the transfer of oil to third-party markets last year already. Thus it is not just a question of crude oil imported from the Soviet Union since last year, for example, Neste handled crude oil which the Soviet Union had procured from Libya.

No actual agreement on trading transactions was reached at this time in the negotiations, but opportunities for expanding these transactions even this year have been confirmed in the discussions held between Neste and the Soviet supplier.

10576

CSO: 3617/79



## BRIEFS

SOLAR ENERGY VILLAGE CONSTRUCTION--The Labor Force Employment Organization will build in Lykovrysi of Attiki a "solar village" of 435 houses in cooperation with the appropriate German ministry and another one of 45 houses in Agios Nikolaos of Crete. The Labor Ministry announced that part of the houses in the two villages will be distributed to working people and the rest to third parties for diversifying the residents of the villages. The construction of the Lykovrysi village will start at the end of the year on a 90-stremma lot belonging to the Workers Housing Organization OEK and will be completed in 3 years. Its cost is estimated at 3.1 billion drachmas of which 2.2 billion will be advanced by OEK, 300 million by the Research and Technology Ministry, and 600 million by the corresponding German Ministry which will act as consultant on the implementation of the high technological systems in building the villages. Labor Minister Evang. Giannopoulos said that the procedures for building the 45-hour solar village in Agios Nikolaos have already started and that there too the same methods will be used as those for building the Lykovrysi village. Text Athens  
I VRADYNI in Greek 11 Feb 83 p 3/ 7520

CSO: 3521/212

## PETROGAL-SONANGOL NEGOTIATE OIL DEAL, EXPLORATION RIGHTS

Lisbon A TARDE in Portuguese 24 Jan 83 p 14

[Text] PETROGAL [Portuguese Oil Company] is negotiating with SONANGOL [National Angolan Fuel Company] for a 10 percent share of the oil exploration rights in Tract 4 of the Angolan continental shelf.

Tract 4 is located off the coast of Ambrizete. Like the other 13 tracts into which the Angolan continental shelf was divided for oil sounding and exploration purposes, it has a 4,000 square kilometer area.

The PETROGAL proposal was well received by SONANGOL and it is now negotiating with Belgium's PETROFINA of Belgium and Brazil's PETROBRAS [Brazilian Petroleum Corporation] for the redistribution of the quotas which had been assigned to them, so as to allow the Portuguese firm to participate.

Seismic studies as well as the existence of significant deposits in neighboring tracts, lead one to believe that Tract 4 has exceptionally high oil reserves.

It is expected that oil exploration in Tract 4 will begin within 3 years. However, prior to this, the four oil companies (including PETROGAL) will have to invest about \$200 million (about 18 billion escudos in soundings).

PETROGAL already has a 10 percent share in the consortium with the exploration rights for Tract 1. This consortium is made up of the Italian AGIP [National Italian Oil Company] with 50 percent, the French ELF-Aquitaine with 25 percent, two Yugoslav firms (Naftaplin and Naftagas) with 15 percent, and the Portuguese firm.

PETROGAL's participation in exploring Angolan oil will guarantee Portugal a steady source of energy. However, it can only assure a small part of Portuguese oil consumption. Meanwhile, it will guarantee Angola the cooperation of high-quality professional Portuguese technicians who have the advantage of speaking the same language.

Portuguese oil technicians have worked in the United Arab Emirates (where they are unanimously recognized as being highly qualified) and they participated in the sounding and exploration of deposits close to Luanda before Angola's independence.

Angola currently produces about 6.5 million tons of oil a year, mainly from its Cabinda offshore deposits that are being exploited by the U.S. Gulf Oil Company and protected by Angolan and Cuban troops.

Moreover, the Portuguese Government is negotiating a deal to import Angolan oil for the Sines refinery as compensation for the work of Sorefame, Mague and Somaque in raising the Cambambe dam.

Even though the Angolan Government has not yet decided, the negotiations now underway seem to be heading for a favorable resolution of the Portuguese proposal.

The operation proposed by Portugal has the disadvantage of reducing the receipts from exported oil for a 5-year period at a time when Angola's balance of payments is going through serious difficulties, which has already led to severe reductions in imports.

9935

CSO: 3542/36

## TV, COMMERCIAL LIGHTING, HEATING CUTS TO REDUCE CONSUMPTION

Lisbon DIARIO DE NOTICIAS in Portuguese 10 Feb 83 p 1

[Text] The serious drought which has hit the country, already considered the worst in 3 years, involving a situation which, it is expected, might get worse in the near future, has persuaded the economic affairs cabinet to approve a series of restrictive measures on the public consumption of electric power.

These restrictions, which may be changed during the full cabinet meeting today, call for a ban on lighting starting at 2200 for shop windows and interior lighting in establishments, except during official store hours, including the extension of working hours and supplementary services (cleaning and the like).

Illuminated signs must also be turned off starting at 2200 although this does not cover the signs of establishments of public interest, while they are officially open, such as pharmacies, medical aid stations, fire stations, gas stations, and hotel signs.

EDP (Portuguese Electric Power Company) will be responsible for checking on compliance with these measures and will also have to check on compliance with the closing of broadcasting operations by RTP [Portuguese Radio-Television System] which may not go beyond 2300, except on Saturday, with a broadcasting extension authorized up to 2330.

Government services and administrative agencies, as well as public enterprises, will have to take measures to make sure that their consumption of heat, air conditioning, and other nonindustrial services will be reduced by 20 percent compared to the same month of the year before.

The Directorate-General of Energy is authorized to check on or to order a check on compliance with these measures and will order the cutoff of electric power supply in repeated cases of failure to comply.

For the purpose of achieving a reduction of approximately 25 percent in electric energy supply during peak consumption hours (from 0900 until 1200 and from 1900 until 2200), EDP will have to promote an intensive information drive aimed at consumers in general and regarding the way of using electric power throughout the day and will have to agree with consuming economic

activities as to provisions and steps leading to compliance with that objective.

It will also be necessary to make sure that steps are taken to reduce consumption by about 30 percent in electrochemical and electrometallurgical industry establishments (covering electric steel production) as well as similar uses between 0700 and 2300.

The ministerial directives are also aimed at a 40-percent reduction in the consumption of decorative lighting during festivities which remain subject to winter schedules (1800-2100) and the ban on outside lighting of public buildings, monuments, illuminated fountains and similar installations, except during the 17th European Art, Science, and Culture Exhibit.

5058

CSO: 3542/43

## BRIEFS

ENERGY RESERVES DOWN--Energy reserves in Portugal are already exhausted and the level of electric power imports has reached a maximum degree, as was disclosed yesterday by Dias da Silva, assistant general manager for energy. "Portugal is about to exist without energy reserves," the official said, "and international support, through imports, has reached a maximum with 1982 expenditures coming to 16 million contos" for the purchase of electric power abroad. Dias da Silva believes that the 15 percent consumption growth rate in Portugal over the past several months is "an exaggeration" when compared to the 3-percent average for the rest of Europe. He added that "the country is hard-hit and if the flow rate of the Douro River keeps dropping further and if the Spaniards shut off the supply from Ricobayo, which is a key river, then this constitutes a threat to us." [Excerpts] [Lisbon DIARIO DE NOTICIAS in Portuguese 11 Feb 83 p 1] 5058

NO OIL PRICE DROP--The Portuguese consumer will not directly benefit from the drop in oil prices on international markets, NP was told by a source connected with the domestic petroleum industry. The source added that this is due to the fact that payments on products must be made in dollars and that the devaluation of the escudo compared to that foreign currency has turned out to be higher than the drop in prices. On the other hand, the growing deficits of the supply fund likewise left no alternative to a cut in prices, the same source commented. [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 5 Feb 83 p 3] 5058

CSO: 3542/43

## ENERGY POLICY TO HINGE ON SETTING OF NEED, GDP BALANCE

Madrid EL PAIS in Spanish 28 Feb 83 p 42

[Article by Juan Roldan.]

[Text] The definition as to what Spanish society's energy requirements will be over the next 7 years and, at the same time, the effort to make sure that gross domestic product growth estimates will be in line with the above --that, at this time, is one of the most difficult and in-depth studies pursued by the new socialist administration with the cooperation of the public and private enterprises in this sector.

Primary energy consumption in Spain in 1982 went up 0.5 percent compared to 1981 although in the case of petroleum the decline continues according to figures not yet published by the Ministry of Industry and Energy; those figures were procured by EL PAIS from reliable sources. In 1981, primary energy consumption declined 2.5 percent compared to the preceding year. These internal fluctuations and the no less changing international situation in this field are the factors that complicate the range of a consensus in the work of the interministerial commission and the energy sectors that must be finalized by the month of June; this is because the administration has the intention of, by that time, submitting to parliament the second revision of the PEN (National Energy Plan).

In 1982, the percentage distribution of consumption among the various energy sources was as follows: Petroleum for energy uses, 55.1 percent; coal, 29.8 percent; water power, 8.8 percent; nuclear, 3.1 percent, and natural gas, 3.2 percent. The decline in the share of petroleum is compensated for by an increase in the role played by coal. In 1981, petroleum consumption came to 61 percent and coal consumption was 24.9 percent. These figures however are even more significant if we compare the consumption data for those two types of primary energy with those in 1980: Petroleum consumption was 64.3 percent and coal consumption was 21 percent.

Before coming to power, the PSOE [Spanish Socialist Workers Party] expressed its disagreement with the estimates of the PEN drawn up by the prior

administration, especially regarding an overestimate of energy consumption requirements and economic development during the decade of 1980-1990. The man who at that time was in charge of energy policy in the PSOE, that is, Javier Solana, charged the UCD [Christian Democratic Union] administration with "overestimating the increase in the energy demand as a way of making room for the nuclear facilities that have already been programmed by the private sector."

After the election victory, the administration of Felipe Gonzalez applied the price correction figure to the energy consumption figures, especially in the hydrocarbons sector; this will continue to have repercussions in the form of a reduction in the crude import bills and, on the other hand, the new drop in international prices will considerably help in reducing the import deficit under the heading of petroleum.

#### Energy vs. Growth Dilemma

But government circles are aware that one must put an end to the steps taken in line with the particular economic situation at any particular point in time in this field and, ever since he took over the Ministry of Industry and Energy, Carlos Solchaga issued instructions for a thorough revision and future projection of the country's energy requirements. The revision of the PEN, which will not be completed until June, clashes with the dilemma as to how to procure sufficient energy supplies for the purpose of increasing the gross domestic product by the end of this decade.

In his remarks early last week in the Congress of Deputies, Carlos Solchaga clearly reported on his ministry's plan in the field of industry but he did not spell anything out in energy, waiting for the results of the study which is now being conducted in conjunction with the revision of the PEN. The minister nevertheless said that the capacity surpluses in the nuclear sector could lead to an overinvestment in that sector amounting to as much as 600,000 million pesetas.

Energy officials in the current administration seem to be inclined to continue to provide incentives for coal consumption although boosting underground production and maintaining import levels while allowing the construction of the already authorized seven nuclear power plants to go forward, although revising the figures of the PEN for 1990 which, in the nuclear industry, calls for a capacity of 15,500 [as published] Mw.

For Alfonso Alvarez de Miranda, president of the Spanish Atomic Forum, an agency that is participating in the revision of the PEN, "the important thing and at the same time the difficult thing is to find out what kind of development we Spaniards are going to have over the next several years because the energy demand will depend on that. The fact that the estimates of the 1979 plan were not attained, regarding the growth of the gross domestic product, around 2 percent, did not produce an excess in energy estimates but a worsening of the unemployment situation to limits that are insupportable for Spanish society."



Alvarez de Miranda believes that the new administration cannot "plan poverty" and therefore thinks that Spain is not going to grow more than 2 percent throughout this entire decade. His estimates are closer to the French estimates and those relate to a country which he considers very similar to Spain regarding primary energy reserves; in that country, the Mitterrand administration is planning its energy requirement on the basis of the conviction that the French gross domestic product will reach 5 percent per year during this decade.

The second important aspect regarding the revision of the PEN is, according to Alvarez de Miranda, "to find out how to distribute this demand among the nation's energy sources. Coal reserves are not as big as the administration believes and, on the other hand, coal presents serious pollution problems--acid rain, for example--as a result of its use as the most important element in energy consumption," he added. "In my opinion, the nuclear component is absolutely indispensable in the Spanish energy balance, just as it is in France and in the rest of the both Eastern and Western European countries."

#### Energy Balance (February 1983)

Balance of Primary Energy Sources in Spain during the 1980, 1981, and 1982 3-Year Term\*

	1980	1981	1982
Energy petroleum	60,371	55,886	50,271
Coal	16,696	22,770	27,140
Water power	9,716	7,016	8,023
Nuclear	1,541	3,117	2,826
Natural gas	2,510	2,748	2,939
Total	93,834	91,537	91,999

#### Percentage Distribution of Consumption among Various Energy Sources

	1980	1981	1982
Energy petroleum	64.3	61.0	55.1
Coal	21.0	24.9	29.8
Water power	10.4	7.7	8.8
Nuclear	1.6	3.4	2.1
Natural gas	2.7	3.0	3.2
	100.0	100.0	100.0

(\*) In 1,000 t of coal equivalent.

5058

CSO: 3548/228

## POSSIBLE SPANISH-PORTUGUESE COLLABORATION ON NATURAL GAS

Madrid EL PAIS in Spanish 10 Feb 83 p 52

[Article by Nicole Guardiola]

[Text] Lisbon--The Portuguese Petrochemical State Enterprise and the Spanish ENAGAS enterprise are studying an eventual collaboration on the utilization of natural gas, an issue of growing importance in light of the announcement of the secretary of state for energy of the Portuguese Ministry of Industry concerning the publication of the first energy plan of this country within the next few days.

During a conference on the fuel gas industry, the aforementioned member of the Portuguese Government showed himself to be in favor of the introduction of natural gas to Portugal in order to lessen its dependence on petroleum, which currently provides 80 percent of the energy consumed by the country.

The director of the Petrochemical State Enterprise, who also considers natural gas to be a more economical source of energy than crude, examined two possibilities: the transportation of liquefied gas in LNG tankers, or the linking of Portugal to the European oil pipeline network through an agreement with Spain.

Other voices are beginning to be heard in Portugal in favor of jointly negotiating with Spain to bring Siberian gas to the Iberian Peninsula. The socialist Beja Santos, a specialist in consumer protection matters, asserts that it is necessary to organize a public debate about the advantages to the Portuguese economy of having the Lisbon Government join the negotiations between Madrid and Moscow about Spanish participation in the Euro-Siberian pipeline project.

8414

CSO: 3548/166

## FLUCTUATIONS IN NATURAL GAS, GASOLINE PRICES

Madrid EL PAIS in Spanish 10 Feb 83 p 11

[Excerpt] Yesterday, the Council of Ministers approved a rise in the gas rates which will represent an average increase of 4 pesetas daily in the home consumption bill. As proposed by the minister of industry and energy, the council approved an average rise ranging from 15.7 percent to 19.83 percent. According to government spokesman Eduardo Sotillos, this rise is in line with previous increases in other kinds of fuels.

The information furnished to the press lists the percentage increases approved for the products supplied to the public, with manufactured gas set at 19.83 percent, propane gas at 16.50 percent, and methane gas at 15.88 percent.

The measure also establishes percentage increases for the Catalanian Gas enterprise which consist of 18.60 percent for supplies to industry and 19.83 percent for supplies to homes and businesses. As to the prices of ENAGAS, they will be as follows: 14 percent for natural gas supplied to thermoelectric power plants, 14.7 percent for natural gas supplied for industrial use, and 17.3 percent for liquefied natural gas supplied for industrial use.

## Gasoline Prices Drop in Canary Islands, Ceuta and Melilla

The Council of Ministers also approved a reduction in the price of gasoline for the Canary Islands, Ceuta and Melilla. The price of premium gasoline is reduced from 68.80 to 65 pesetas per liter, and that of regular gasoline from 64.30 to 60.75 pesetas per liter.

8414

CSO: 3548/166

## NEW PEAT-EXTRACTING METHOD ALLOWS WINTER PRODUCTION

Stockholm DAGENS NYHETER in Swedish 22 Feb 83 p 17

[Article by Kjell Lofberg]

[Text] In the Fasaflot bog, deep within the wooded valleys in the region around Garsas in the Mora district, an effort is now being made to extract peat in a new way. For the first time, they are trying the so-called complete excavation method.

There are three well-known methods of extracting peat. The oldest is the old Swedish method of burning off. That is the method still used in Ireland and elsewhere. The surface is burned off and then the peat is turned under for a few days before it is gathered up.

The mechanical method is a modern and more large-scale method. It is used in Finland, among other places.

Both burning off and mechanical harvesting have drawbacks. The methods require large swampy areas and extensive preparations. The extraction must take place in the summertime. Some special equipment is also needed.

"With the complete excavation method, we think we have eliminated most of the drawbacks in peat extraction," said Lars-Olof Tunbra, project leader in charge of developing the method.

"The peat is extracted during the winter months, something that was impossible to do earlier.

"The equipment used is machinery normally found in contracting companies in the highway-construction branch."

In the complete excavation method, an excavating machine goes over the bog first so that the frozen surface becomes passable. Before extraction begins, some roadbuilding and ditching work must also be done. Among other things, there must be water drainage ditches from the bog.

An excavator digs the peat from the bottom of the bog, working upward. It starts at one end and digs up the entire bog.

The excavator loads the peat on a truck which drives the peat mass to a drying plant close to the bog. The peat is dumped into an intake window after which it is broken up. Twigs and stones are separated from the mass. Then the peat is homogenized and conveyed to a press, where 20 percent of the moisture is removed.

"The cost of setting up a drying plant is around 3.5 million kronor. This can be depreciated in 5 years. After only a few years, one has a profitable operation," said Lars-Olof Tunbra. The facility is not much different from those used by asphalt and stone-crushing workers in the highway construction sector.

"The classic peat problem is drying it. If peat is to be used as fuel, it must be dried in order to get rid of a large amount of the water, at least 50 percent. Some of the water can be removed by pressing. It is relatively easy to remove up to 20 percent. But a great deal of energy is required from that point on up to 50 percent. The energy consumption is so costly that it is not profitable to dry peat.

"We feel it is sufficient to stop at 20 percent. The rest of the drying can then be done by the sun and the wind."

Torvteknik, Inc. in Mora has backed the project.

"The price of the peat we produce is around 300 kronor per ton of peat substance. This can be compared to forestry byproducts. The price there is from 350 to 400 kronor per ton. In addition, peat has an energy value that is 10-20 percent higher than that of forestry byproducts."

One thing that was not studied in this development project was the environmental aspects of extraction. Lars-Olof Tunbra felt there would be little impact on the environment, since after the bog is excavated, it is entirely filled in again with stumps, rocks and peat waste. Sludge from sewage treatment plants and products containing lime can also be used as fill. That will provide ground that can be used for commercial forestry.

6578

CSO: 3650/128

## DROP IN SOVIET OIL PRICES CAUSING CLEARING ACCOUNT PROBLEM

Helsinki HELSINGIN SANOMAT in Finnish 24 Feb 83 p 23

[Article: "Oil Price Threatens To Cut Exports, Surplus in Soviet Trade Cannot Tolerate Additional Reduction"]

[Text] Foreign trade officials are cautious in their comments on the effect of cheaper oil on trade with the East. The reduction of the price of crude oil will inevitably affect our trade with the Soviet Union, but there is a desire to postpone more precise estimates to a later date.

However, it is already now clear that our surplus in the trade with the East cannot tolerate too large of a drop in oil prices. According to the Bank of Finland, price reductions so far have had a definite effect on the trade balance, but "the situation is still reasonably under control".

The most recent Soviet trade balance shows accounts receivable were approximately 300 million rubles or approximately 2.8 billion markkaa last week. According to the Bank of Finland, the surplus has been gradually increasing. New reductions in oil prices would be fateful to the balance of payments since the indicators already available mean that the surplus will continue to grow in the near future -- "a little at a time", as was stated in the Bank of Finland's general announcement.

#### Surplus Now Approximately 5 Billion

In addition to 2.8 billion markkaa, 2.2 billion markkaa of the surplus have been transferred to the fixed-term account, which will be gradually deducted from there. This sum will thus be eaten up by commodity exchange quotas over a period of 3 years and will mean a postponement of the problems.

The Bank of Finland as well as the trade policy section of the Foreign Ministry do not want to give any numerical estimates of the effects of oil price development on balancing trade with the East. It is admitted that the balance of the account can no longer withstand any extensions. It is pointed out that the Soviet Union always attempts to put this trade within the framework of credit limits by the end of each year. The limit is 300 million rubles, which before the fluctuations in oil prices seemed to be quite probable according to this year's commodity exchange schedule.

The surplus in Soviet trade was at its highest at the end of last summer when the record figure was 800 million rubles. This was, however, the aftermath of earlier development, and we cannot afford this again, points out the Bank of Finland.

#### Negotiations Next Week

If the price of crude oil falls to a permanent level of 25--27 dollars, this would mean adjustment pressures at the billion level in Soviet trade. The possibilities are only two: increasing imports or decreasing exports. There are continuous efforts to increase imports, but there seem to be no miraculous solutions.

Officials avoid any precise answers and also refer to the fact that at this time there is no exact information of the present thinking of Soviet officials. Questions regarding the balance of trade will come up again in the negotiations to be held next week.

10576

CSO: 3617/79

## FRENCH PROPOSE GRADUAL INTEGRATION INTO EEC

Lisbon 0 DIA in Portuguese 26 Jan 83 p 4

[Excerpt] The European Economic Community (EEC) revealed to the Portuguese delegation France's proposal for integrating our agriculture in the community by stages.

The Portuguese negotiating committee, headed by Finance and Planning Minister Joao Salgueiro, pledged to study the proposal of stage-by-stage entry of certain agricultural products such as fruits, vegetables and wines.

Meanwhile, the EEC has not yet formally adopted this position as common policy for the 10 member nations. This proposal will be analyzed in March.

Moreover, still on the subject of agriculture, the community opened the dossier and presented its first opinion on problems not involving basic negotiating questions. Joao Salgueiro said it was possible that Portugal would accept the community position on cereals, rice, cotton, beef and pork, eggs and fowls.

The finance and planning minister is convinced that the negotiations are going to progress rapidly on this matter, because Portugal will present a position paper even before the next EEC agriculture ministers' meeting.

Moreover, the Portuguese delegation reaffirmed its respect for the fundamental principles of free circulation of workers consecrated in the treaties.

Thus, the Portuguese negotiating committee stressed, "We cannot accept solutions of a given situation that pure and simply discriminates against Portuguese workers."

The Common Market is calling for a 7-year period before allowing the free circulation of workers, while Portugal believes this matter should be resolved within the context of the social affairs dossier in which it is included.

Foreign investment is another point of disagreement in the negotiations. The EEC is demanding that Portugal liberalize imported investments of



over 250,000 contos while our government believes that this liberalization should apply to projects with an overall investment of less than 250,000 contos.

Finally, Portugal stressed the need for the EEC to translate successive declarations of support for Portuguese membership in the community into "concrete measures."

9935

CSO: 3542/36

## MEASURES TO OVERCOME ECONOMIC DEFICIENCIES GIVEN

Lisbon, TEMPO ECONOMICO in Portuguese No 4, 3 Feb 83 pp 1, 3

[Article by Ernesto Silva]

[Text] It has been said time and again that the deficit in the current accounts balance is the most serious economic problem facing Portugal. It hinders the national product from growing at the rates necessary for a marked increase in our wealth to occur.

It is the trade balance (trade of goods) in the current accounts balance that has a very high deficit. The service balance (where tourism has an important place) as well as the earnings and transfers balance (which shows a surplus, since emigrant remittances hold an important position) are both favorable. Until now, the effort to reduce the deficit has been concentrated on promoting exports. Although this is an important effort, import reductions are just as important.

Governments have successively tried to reduce imports by devaluating the currency. They have not succeeded in reducing imports because most of those devaluations (approximately 90 percent) were not constrictive. Meanwhile, the government has not been successful in promoting exports by means of devaluations. The devaluations only succeed in promoting exports as long as a monetary illusion exists, and as long as the value of imported raw materials, foodstuffs, machinery and energy do not become an important part of the processed goods destined for export.

Now, the publicity given to the devaluations has eroded the monetary illusion, which has forced wage demands to follow one another to compensate for reductions in real purchasing power. Moreover, the greatest part of the energy used, the raw materials to be processed and the machinery to process the raw materials are imported. The devaluation-induced increase in these prices is immediately reflected in export prices.

Devaluations are merely complements that give the economy time to adapt structurally. Restructuring is the only healthy way for an economy to obtain balanced foreign accounts.

Imports are largely concentrated in four large items:

- agricultural products, 15 percent;
- minerals (mainly oil), 28 percent;
- chemicals, 11 percent;
- machinery, 17 percent.

The strategy for developing Portugal must inevitably include a reduction in our dependence in these sectors.

With current contribution to domestic product at about 10 percent, agriculture deserves the special attention of our leaders. Conditions guaranteeing farmers' earnings will have to be created so that agriculture may be able to attract investments and fields suited for farming may be fully utilized. Land is a scarce resource which a poor country such as ours cannot waste. Incentives for regrouping land, technical assistance for farmers, incentives for mechanization, granting early reforms, and creating a system of price guarantees for the producer can drastically reduce our foreign dependence for food. A campaign to dignify farm work that would give it the social prestige taken away by economic evolution may arouse greater attachment to the land by young people, the building blocks of the nation's agricultural development.

With regard to minerals, out of which energy (oil) is practically the entire component, the situation is substantially more serious.

Portugal has no oil and studies made to date do not offer high hopes. What little coal is available is economically unexploitable. The possibilities for hydroelectric power are, for all intents and purposes, exhausted. Despite the uranium we have, nuclear energy continues to face serious opposition from the electorate because of the technical shortcomings characteristic of its production and subsequent removal of residual waste. About 30 years were needed in the European Communities [EEC], for example, for nuclear energy to satisfy 3 percent of energy consumption. Despite the incentive to research alternative sources of energy because of the oil price increases, they will not be an important part of the energy supply in the near future. Again, solar energy, wind energy, wave energy, etc., will not go above 5 percent of energy consumption in the EEC. The recently anticipated reduction in oil prices will never be large. As a matter of fact, the international banks have made large loans to countries such as Mexico, guaranteed by their oil exports. A large reduction in the price of oil would create even greater chaos in the international monetary system. As a result, we cannot expect a return to cheap energy.

If we want to be realistic, we have to admit that we will remain dependent on energy imports. Diversification of sources of supply and reducing superfluous consumption (which is occurring everywhere) are strategic ways of reducing dependence.

In particular, civil servants who leave the heat, the lights or vehicles or should be fined so as to curtail energy consumption.

Chemicals and machinery are imported goods that can be produced domestically. As soon as conditions exist for investments to be made in these sectors so that, within an acceptable time period, competitive production of currently imported products can take place, the government must provide them with tariff and quota protection under the nascent industries clause. This should be done even in the framework of the EES.

This effort should be connected with:

--export promotion;

--creation of tourism industry aggressively turned toward obtaining the greatest earnings with the highest level of quality and utilization (the fact that vacation and leisure expenditures are, after food, those that decrease least, even in times of crisis);

--the difficult attempt to maintain the level of emigrant remittances even at a time of falling real wages worldwide (Yugoslavia reduced its real wages 7 percent this year). It will be possible for Portugal to again balance its current accounts and afterward head toward a growth level that will bring us close to European countries which have no special reason for enjoying levels of well-being higher than ours.

9935

CSO: 3542/36

## INDICATION OF FOREIGN HARD LINE ON BUSINESS CREDIT

Madrid EL PAIS in Spanish 6 Feb 83 p 47

[Article by Alberto Valverde]

[Text] During their first ventures into foreign markets this year in search of long-term financing, Spanish public and private enterprises, and to a lesser extent the Kingdom of Spain, are beginning to suffer the effects of the period of uncertainty that the Spanish economy is experiencing, especially the immediate consequences of the so-called aluminum crisis of last October. These first clear signs of the hardening of conditions that Spanish credit is experiencing this year could be critical at a time in which foreign financing appears to be one of the decisive implements of the new administration's economic policies.

Nonetheless, the actual increase in the mediation margins of foreign financial markets could be amply compensated by a decrease in interest rates, which reached the vicinity of 6 points during the last quarter. In official circles, it is estimated that the government will resort to these markets in search of some \$1.5 billion (the final figure will depend on the budget's completion), while business firms will need to collect as much as \$6 billion from foreign markets. With this amount they will be able to lessen the expected loss in reserves, although this will still be positive at about \$300 million.

In spite of a decrease in interest rates, foreign financing would still present the inconvenience of the hardening of margins and conditions. The recent foreign credit negotiated by the Catalanian Electric Power Corp (FECSA) with a differential of one point over the London Interbank Offered Rate (LIBOR), as well as the annual operation of the National Institute for Industry (INI), for a total value of 45 billion pesetas, where margins for those negotiated in foreign currency have also been raised by more than one-eighth over those secured during the 2 previous years, appear to be the first clear indications that a new era has begun for Spanish enterprises traditionally represented in the international markets.

This change in the conditions has also affected the Kingdom of Spain, which, in its initial program of ventures for this year, has considered it convenient to delay until the end of the year the contingent acquisition

of a "jumbo-type" Eurocredit with characteristics similar to those tried successfully during the first half of the last 2 fiscal years. Although circles close to the administration do not reject [the possibility of] carrying out this type of operation at any time, the exploration of methods with limited parallels in past experience seems to demonstrate a certain preoccupation of responsible persons in the treasury with the repercussions that an institutional false move could have in the rest of the operations of the state, both public and private.

#### The Kingdom Defends Itself

Thus, the issue of \$200 million in floating-rate notes in the European market, with real cost conditions difficult to estimate but higher than three-quarters of a point, alone demonstrates that this year it will not be easy to reach the favorable financing conditions enjoyed during previous years. As a matter of fact, the sale of notes, when these were offered in the London market last Thursday, did not go over big even though there were large attractions offered to buyers (the possibility of amortization over 5 years).

Nonetheless, all the sources consulted indicate that it would be premature to conclude from only one venture that Spain's rating (credit level) has worsened. On the contrary, experts who have been consulted estimate that Spain's institutional credit is at least at the same level as that of other European countries of similar significance and objective importance, as demonstrated by the fact that on the last 200 million the conditions obtained by a country like Sweden in a recent issue of floating notes have been equalled.

Nevertheless, it remains to be seen in the course of this year what will be the exact conditions for Spain in foreign financing. Sources close to the treasury indicate that, contrary to appearances, the principal objective of this year's ventures will not be exclusively to obtain the cheapest possible financing but to diversify the types of operations and the markets where they are pursued. In this sense, it is significant that, besides the Eurocredit at the end of the year, it is planned to enter the Japanese and British bond markets and, if circumstances permit, the North American market as well.

One of the greatest difficulties that Spain can run into when the time comes to present proposals for obtaining funds will no doubt be the general hard line that the financial markets are encountering after the financial crisis suffered by some countries, and that as a result of the process of negotiating the present foreign debt, have reinforced the traditional precaution with which the large international banks operate in the markets.

#### The Most Affected Enterprises

This precaution, which seems to be a general rallying cry after the Toronto lesson (last October's FMI meeting), has already claimed its first victims among the enterprises that have risked doing business abroad. The case of FECSA, the first electrical economy to break into the market this year,

is the first and the most evident, since the 210 million credit to Iberduro, signed this week in New York, was in fact negotiated during the previous fiscal year. FECSA has been forced to pay a one-point differential over the MIBOR, an unheard of margin for these enterprises.

The guidelines established by Catalonia's electrical company are seen with a certain amount of alarm in the sector, since following this, most of the electrical companies are getting ready to do business in the Euromarket. Some of them, as is the case with FECSA itself, have ceased issuing commercial paper, and the same has been done by ENHER [Ribagorza National Hydroelectric Enterprise], another company pioneering this new type of indebtedness in Spain. The Electrical Union, for its part, has also begun to pay the new margins for its 250 million venture, although without reaching FECSA's point differential.

It is evident that the businesses that are more likely to suffer the consequences of the market's hard line are the public enterprises. Regardless of the nature of the great risk involved, the memory of the aluminum crisis is still in the minds of the lenders, some of whom still do not understand the purpose of the "de facto" suspension of payment represented by the delay in the payment of interest on the Eurocredits of Alumina-Aluminum.

Negotiations for INI credit are a sample of the real hardening the market has suffered, especially when one tries to obtain conditions that were exceptional in previous years. The self-exclusion from this credit by some institutions, especially foreign ones, demonstrates that many companies already have a perfectly defined policy for the current year, and what is more disturbing, with very concrete limits on the volume of business in certain sectors.

9907

CSO: 3548/162

## WORKER-OWNED FIRMS FALL TO BANKRUPTCY

Istanbul HURRIYET in Turkish 21 Feb 83 p 4

[Text] The worker-owned companies which began forming some time ago in an effort to attract and put into profitable areas of investment the savings of our workers abroad, primarily in Germany, today are in less than encouraging circumstances.

Conceived as businesses in a variety of fields and the large portion of their partners being our workers abroad, these companies fail to operate profitably owing usually to management error, fail to utilize full capacity and run continually in the red or reach the verge of bankruptcy and change hands. Intermittent confabs on the present and future of the "worker companies" produce nothing concrete. While some of the billion-lira factories wait like empty shells for a savior, others are operating but unable to make the profits planned. Two worker companies, BILSER [Bilecik Ceramics Factory] in Bilecik and KARBES [Karamanli Food and Chemical Industry Inc] in Karamanli, have gone bankrupt. Sad as the story of the two factories is, however, there seems to be no reason why they should not start up again and contribute to the national economy.

One of the most modern ceramics factories in Turkey which began trial operations with high hopes 3 years ago was bankrupted by debts to brokers and banks.

Facilities of the BILSER corporation, worth approximately 6 billion liras with 17 percent of its shares owned by workers, were ordered sold at auction by the court.

Construction of the factory was begun in 1974, completed in 1979 and cost 412 million liras at the prices of that time.

The suit, brought by the creditors in the Istanbul Fifth Commercial Court of First Instance, was concluded not long ago with a bankruptcy ruling against BILSER, resting on the claim of three persons owed a total of 1.55 million liras. Halil Yilmazturk, chairman of the board of directors of the ceramics company with its 321 stockholders, said:

"It was a hasty bankruptcy ruling. If we could have operated the factory at full capacity, we could easily have paid off all our debts of 1.5 billion [as published] liras within a year. However, we could not get out from under the high-interest loans and this is what happened to us."

## KARBES

Ankara (HURRIYET) -- Controversy continues over the sale of KARBES, a worker-owned company, to the Turkish Industrial Development Bank for only 69 million liras, though it was assessed at a value of 658 million liras by the sheriff's



office not long ago. The sale was protested in court by DESIYAB [State Industry and Worker Investment Bank], a partner in the company, and by the company's board of directors.

KARBES was founded in 1973 with 35 million liras capital and 1,200 stockholders, most of them workers abroad. It went into debt for millions of liras in 1978 owing to cancellation of the "exchange rate guarantee" and cutbacks in operations.

The company's attorney Cemil Uysal, explaining to HURRIYET that the "factory is worth 1.5 billion liras," said:

"Our business is worth 1.5 billion liras, but the sheriff's assessment was 658,781,000 liras. The Turkish Industrial Development Bank wanted to buy it for 69 million liras, not even the assessed 600 million. That is, 10 percent of its value."

8349

CSO: 3554/169

## NORDIC PRIME MINISTERS MEET: ECONOMY DOMINATES AGENDA

Oslo AFTENPOSTEN in Norwegian 19 Feb 83 p 3

[Article by Egil Sundar]

[Text] The political top stratum of the Nordic countries will assemble Monday in the Storting building to begin a week's discussion of common measures--a common Nordic strategy--with a view to combatting the economic crisis. As of today the number of unemployed is estimated at about 800,000 in the five Nordic countries, and the prospects are rather dark.

The 31st session of the Nordic Council next week will have before it a plan of action for economic development and full employment, a plan that social democrats, conservatives, and the middle parties alike support. But will it help? Can it bring us out of stagnation, so that we overcome the increasing unemployment? That is the question that the Nordic peoples await an answer to in the reports from Oslo, where over 200 representatives of press, radio, and television will follow the proceedings.

When the newly elected president of the Nordic Council, the Conservative Party's Jo Benkow, welcomes them to the session a few minutes after 1200 hours Monday [21 February], one can say with still more truth than ever: All power in that hall... But the interesting question, of course, is how the power will be used, whether the political authorities will be capable of converting the visions of Nordic cooperation into practical action. Five Nordic prime ministers, the foreign ministers, finance ministers, ministers of cooperation, and a number of other members of governments, the leading members of the Nordic parliaments, and also a large number of experts of many kinds are confronted with the greatest Nordic challenge since the Nordic Council was established exactly 30 years ago in February: A persistent economic stagnation and an unemployment the like of which we have not experienced since the period between the wars.

But "the crisis"--as we are now experiencing it--is not at all of recent date, least of all for Denmark, Finland, and Sweden. It has stood out as a central and urgent problem for the Nordic Council and the Nordic Council of Ministers ever since the last half of the 1970's. Many--and in particular the Council of Nordic Trade Unions--have looked forward to the time when the Nordic Council could play a more active and leading part in the readjustment process that has been triggered by increasing unemployment, little or no economic growth, high

inflation, declining ability to compete, economic balance problems, and curtailment of public activity. But no. In this threatening situation the Nordic Council has been in the stands, not on the racetrack, as the Conservative Party's parliamentary leader expressed it during last year's general debate in the Nordic Council.

In regard to the all-important problems of the 1980's, which are experienced by many as a threat to the Nordic people's way of life, to security and elementary welfare, the Nordic Council has assumed a surprisingly passive rôle. Unfortunately, one can only observe that in this situation little that is specific has come out of the big institutional apparatus that has been built up over the years for organized Nordic cooperation. The explanation is that the governments and national assemblies of the Nordic countries have been forced, each for itself, to give priority to what is regarded in a difficult economic situation as nationally necessary. The domestic problems have become so dominant that there is neither time nor strength left over for Nordic cooperation.

To this must be added the fact that interests and problems do not coincide in every respect; quite the contrary. And a basic requirement for cooperation, as is well known, is that all parties can gain advantages from it. Like it or not, it is simply a fact that ideal Nordic requirements have little penetrating power against national self-interest, manifested in the historic truth that each country is closest to itself.

As a result of the persistent international crisis, in recent years we have witnessed a stronger and stronger tendency in precisely that direction. In economic policy short-sighted national considerations have been decisive for most of the western industrial countries, as manifested by increasing protectionism and mutual oppositions between country and country. Within the Nordic family this has found its clearest expression in the Palme government's 16-percent devaluation last fall, which came on top of the Fälldin government's earlier 10-percent devaluation, for a total reduction of the value of the Swedish krona by 26 percent (!) within a limited period of time.

Greatly aided by the drastically improved competitive ability *vis-à-vis* Norway, Swedish goods have penetrated into more and more fields. At the same time it has become still easier for Swedish exports to win greater shares of the market in Norway. Commerce Minister Arne Skauge, who is also minister for Nordic cooperation, stated in the Storting last Wednesday [16 February] that the trade balance with Sweden was dramatically worsened in 1982. For Norway it has also become a problem that an ever greater distortion has gradually come about in the trade with other Nordic countries. The deficits are increasing in relation to all the countries except Iceland.

The Social Democratic government of Sweden has one basic interest: to lead Sweden out of the economic crisis. That involves a marked "black-and-blue" policy, and in bilateral relations Norway can hardly expect any special concessions from the Swedes. By all indications a harsher climate will contribute to making a broadened cooperation on industrial policy more difficult, although Sweden must be willing to give *something* in return for the planned Norwegian purchase of billions of kroner's worth of Swedish defense materiel. From the point of view of Nordic cooperation the Norwegian-Swedish negotiations on this matter will be followed with extra great interest.

A cooperation on joint projects and solutions presupposes that it can be based on advantages for both parties. The Norwegians have always had the objective in view of a balanced cooperation with mutual contributions and compensations. While the cooperation on energy policy and industrial policy has given very modest results thus far, and that applies in relation to both Denmark and Sweden, that is due to the fact that Norway has gotten very little back for what we have been able to contribute. And unless there is a fundamental change on this decisive point, it hardly serves any purpose to shout for new cooperative agreements.

During the Nordic Council session in Oslo next week there will be much talk--with good reason--about the need for concentration on the main tasks in Nordic cooperation. More than perhaps anyone else, Prime Minister Kåre Willoch has tried on several occasions to contribute to such a development, especially by actively promoting the prerequisites for the cooperation that all say they want to have. But to achieve results of real significance in Nordic interdependence, the political authorities in each individual country must be willing to give the work on Nordic questions a considerably higher priority than it has today. That also presupposes that the Nordic Council of Ministers will play a far more active part as the driving force in the cooperation, while at the same time the members of the parliaments show a more direct involvement.

8815

CSO: 3639/72

## KYPRIANOU WARNED OF RIFT WITH GREECE IN POST-ELECTORAL POLICY

Nicosia 0 AGON in Greek 15 Feb 83 p 2

[Editorial: "The Election Results"]

[Text] President Kyprianou's election with a percentage of 55.54 percent is a fact and the people's verdict is respected. How this percentage won is a matter for analysis but not at this time. It appears, however, that the government's preelectoral handouts as well as the slogan in the last days of the election campaign, "we are well off as we are," have paid off.

The [expansion] "as we are" is not satisfactory of course and the election result denotes acceptance of a situation which for the prudently thinking is not satisfactory in the sectors of economy, the handling of public money and mainly as concerns our national issue. The statement Kyprianou made immediately following his election that the result means mainly approval of his policy on our national issue should be especially pointed out because it creates concern since this result is being interpreted as an acceptance of a policy which is in opposition to the Greek government's policy.

Kyprianou said that he will work to strengthen the Athens-Nicosia relations and added that there already exists close cooperation. The point he made with regard to these relations is not acceptable and the question is raised, moreover, on what basis it is possible to seek the improvement of the relations since in essence Kyprianou says that his policy is correct and that the people have approved it. The possibilities are two: Either Kyprianou who now has been elected by a greater percentage--compared to that of the AKEL-Democratic Party in the 1981 parliamentary elections--will free himself from the minimum program [agreed on with AKEL], or he will try to improve the relations insisting that his policy is the correct one and this will in effect mean an effort to persuade the Greek government that the people of Cyprus do not accept its policy. The prospects in the first case are auspicious. In the second case the prospects do not seem favorable because the Greek government either will be forced to revise its policy or insist on it. The result will be a simmering coolness even though on the surface the impression of wonderful cooperation will be given.

## GALLUP POLL INDICATES BIG DROP IN TWO PARTIES AIDING SCHLUTER

Copenhagen BERLINGSKE TIDENDE in Danish 6 Feb 83 p 9

[Article by Lisbeth Knudsen]

[Text] Both the Christian People's Party which now is part of the government and VS (Socialist Left Party) would drop out of parliament if an election were held today.

This was shown by Gallup's political index for January. At the same time, it shows that the Conservative Party would gain 19 seats and the Social Democrats would gain two seats in parliament. The losers of an election held today would be CD (Democratic Center) and the Radical Liberals. CD would lose six seats and the radicals would lose three seats. The Progressive Party would lose two seats. The Liberal Party and the Socialist People's Party would retain their present number of seats.

The number of seats each party would receive is compared below to the number of seats presently held in parliament. A comparison of the January index with Gallup's December figures shows considerable changes during January for several of the parties. The Social Democrats dropped from 34.2 percent of the voters in December to 32.5 percent in January and the Conservative Party dropped from 25 percent to 24 percent. The Progressive Party gained almost 2 percent from 5.1 percent to 7.0 percent.

Excluding the two members of parliament from Greenland and the two from the Faroe Islands, the seats would be divided as follows:

	Now in parliament	Gallup poll
Social Democratic Party	59	61
Radical Liberal Party	9	6
Conservative Party	26	45
Socialist People's Party	21	21
Democratic Center	15	9
Christian People's Party	4	0
Liberal Party	20	20
Socialist Left Party	5	0
Progressive Party	15	13

(1)

# Politisk indeks

(2)

Spørgsmål: Hvilket parti ville De stemme på, hvis der var folketingsvalg i morgen?

Indsamlingsperiode:	8. dec.	aug.	sept.	okt.	nov.	dec.	jan.
8. januar-21. januar 1983	1981	1982	1982	1982	1982	1982	1983
	pct.	pct.	pct.	pct.	pct.	pct.	pct.
(3) Socialdemokratiet .....	32.9	32.6	33.9	32.5	35.8	34.2	32.5
(4) Radikale Venstre .....	5.1	4.4	4.2	3.0	3.0	3.0	3.3
(5) Konservative Folkeparti .....	14.5	15.2	19.3	22.6	22.0	25.0	24.0
(6) Retsforbundet .....	1.4	-	-	-	-	-	-
(7) Socialistisk Folkeparti .....	11.3	11.5	11.4	11.6	10.8	10.7	11.4
(8) Inter. soc. Arbejderparti .....	0.1	-	-	-	-	-	-
(9) Kommunisterne .....	1.1	-	-	-	-	-	-
(10) Centrum-Demokraterne .....	8.3	7.1	5.6	5.8	5.2	4.9	5.1
(11) Kristeligt Folkeparti .....	2.3	2.1	2.2	2.7	2.3	2.2	-
(12) Arbejderpartiet KAP .....	0.1	-	-	-	-	-	-
(13) Venstre .....	11.3	11.9	10.8	10.3	10.5	10.8	10.5
(14) Venstresocialisterne .....	2.7	2.5	2.8	2.2	2.1	-	-
(15) Fremskridtspartiet .....	8.9	9.4	7.5	6.7	5.8	5.1	7.0
(16) Andre partier *) .....	-	3.3	2.3	2.6	2.5	4.1	6.2
(17) alt .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0

(18) \*) Partier med mindre end 2 pct. af stemmerne.

(19) Eftertryk kun mod anførelse af Gallup og Berlingske som kilde.

Key to table:

- 1 Political Index for the period 8 January to 21 January 1983
- 2 Question: Which party would you vote for if a parliamentary election were held tomorrow?
- 3 Social Democratic Party
- 4 Radical Liberal Party
- 5 Conservative Party
- 6 Single-Tax Party
- 7 Socialist People's Party
- 8 International Socialist Workers' Party
- 9 Communist Party

- 10 Democratic Center
- 11 Christian People's Party
- 12 Communist Workers' Party
- 13 Liberal Party
- 14 Socialist Left Party
- 15 Progressive Party
- 16 Other parties\*
- 17 Total
- 18 \* Parties with less than 2 percent of the vote
- 19 May be reproduced only if Gallup and BERLINGSKE TIDENDE are indicated as source.

9336

CS0: 3613/64



## OBSERVER QUESTIONS FUNDING FOR DANISH SECURITY COUNCIL

Copenhagen BERLINGSKE TIDENDE in Danish 14 Feb 83 p 7

[Text] "Monitor" would like to know how the Security and Disarmament Committee (SNU) will use the 2 million kroner parliament has transferred from the Defense Education and Welfare Service. He reminds the committee that it now has the resources to expand its activities significantly and, in this connection, he points out that it now is possible to conduct serious and unbiased security research.

In a vote to modify the 1983 budget, the new majority on security issues consisting of the Social Democrats, the Radical Liberal Party, SF (Socialist People's Party), and VS (Socialist Left Party) decided, against the wishes of the government parties, to transfer 2 million kroner from the Defense Education and Welfare Service to the Security and Disarmament Committee (SNU). However reasonable or unreasonable this may be, the decision has been made and the only question of interest now is what the committee and its powerful leadership will chose to do with so much money.

SNU now has over 5 million kroner at its disposal. That is a tidy sum which far exceeds appropriations to other committees. The magnitude of this appropriation places special obligations on the committee and creates well-founded expectations for results over and above the ordinary.

What are results over and above the ordinary? The committee's funding has been increased by 60 percent and one might ask if it would be reasonable to expect an increase in activity on the same order of magnitude. That would be much too modest, however. SNU's fixed expenditures (for wages, rent, etc.) will not increase. The additional millions can be used purely for the main purpose of the committee: "to stimulate research and help disseminate information on security and disarmament issues and, thereby, to help shape public opinion and stimulate public debate," as stated in the committee's instructions.

In the initial budget proposal 357,000 kroner was appropriated to the committee for this purpose. It is this amount that has been increased by 2 million kroner. This means that the funds for the committee's external activities has been increased not by 60 percent, but by 660 percent. Even though the actual

activities of the committee cannot be measured in precise figures, the numbers above give us some idea of what to expect from SNU in the near future.

Another yardstick could be to compare the committee's results with those of the Danish Foreign Policy Institute which, for about 1/12 the funds granted to SNU, has made a significant contribution through its high-level seminars, its support of research and publications, and its yearbook, which after just 3 volumes has become an indispensable handbook for anyone interested in Danish foreign policy.

Thus, SNU's new appropriations must give the committee and its chairman cause to stop and think about how the committee's mandate and its funds should be administered in the future. An automatic continuation of previous practice hardly would be satisfactory.

Up to now, the dissemination of information has held first priority. If the market is not to be inundated with all manner of pamphlets of highly varying quality, however, SNU must give serious consideration to the subject, quality, and format criteria it will use in the future when it subsidizes the dissemination of information by individuals and institutions.

Another consideration is that 2 million kroner has been taken from the Defense Education and Welfare Service. As a result, there will be a need for information on Danish defense policy that must be supplied by SNU.

Thirdly, it is time to reevaluate the educational value of the seminars previously held by SNU, with a view toward strengthening this aspect of the committee's informational activities.

Finally, there is research. It seems that the committee has not favored research, even though researchers are well represented both on the committee and among its leaders.

There is little research in Denmark on security and disarmament and this is one reason SNU was established. Now, however, the funds available for security policy research are so great that the joy of Danish researchers probably is sprinkled with a touch of concern. SNU has become the primary authority for granting funds for research in the areas of security and disarmament policy, with far greater power than any other research-funding agency in the country.

This gives the committee, and especially its leadership, a responsibility that must be administered with the greatest care. This is all the more true since SNU was not put together with this new role in mind. We must hope that the politicians, especially, but also other officials on the committee, recognize this. They must show great restraint--not with ideas, but with demands--if the committee's newly found power over research policy is not to undermine the prerequisites for serious and unbiased research on security policy. At the same time, a particular burden of responsibility rests on the researchers on the committee. They were appointed originally because of their personal

qualities, but now they must be seen as representatives of research with the primary responsibility for professional quality and objectivity in the external work of the committee.

Money is necessary, but money alone cannot guarantee fruitful and quality research. Thus, there is every reason for the committee, its leadership, and especially its researchers to examine carefully the future guidelines for project support, publication support, research-related seminars, increased contact between Danish and international researchers, etc. And how does Denmark's largest security research fund believe it can help solve the problem of recruiting researchers? This will be the biggest problem in Danish research during the coming decades.

The answers to these questions are of interest not only to researchers. Research and education go together. In the long run, "helping shape public opinion and stimulating public debate" will require qualified, unbiased, and active research. For this reason, we must hope that SNU, at its earliest possible convenience, will discuss and give shape to its new role as educator of the people and supporter of research and not merely discuss this issue behind closed doors, but present its results to the public in whose service the committee is working.

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POLITICAL

DENMARK

DANISH SECURITY COUNCIL CHIEF DEFENDS ROLE

Copenhagen BERLINGSKE TIDENDE in Danish 21 Feb 83 p 10

[Article by Skjold G. Mellbin, Chairman of SNU]

[Text] In an article in BERLINGSKE TIDENDE on 14 Feb 1983 "Monitor" raised various questions and presented several views on the allocation of an additional 2 million kroner to SNU (Security and Disarmament Committee), according to the final budget proposal for 1983.

The article correctly points out that this represents an enormous increase in appropriations, namely from about 400 thousand kroner to about 2.4 million kroner for education and research on security policy. According to comments included in the budget proposal, the purpose of the new appropriations is "to transfer funds from the educational activity of FOV (Defense Education and Welfare Service) to the other agency involved in education on security policy.

It is undeniable, as Monitor points out, that such a drastic increase in appropriations for certain, well-defined purposes presents the committee and its leadership with a number of tasks and considerable responsibility. The first prerequisite for dealing with this responsibility is the establishment of certain guidelines at the very beginning to help guarantee proper and responsible use of such a large sum of money.

For this reason, this issue is included on the agenda for the committee's first meeting of the year on 17 February. The goal is to conduct a thorough discussion. Since the budget was approved, the committee leadership has developed a broad list of ideas to be used in the discussions. This article is not the proper place to discuss the details of this working paper, but I can safely say that Monitor would approve of several points contained in it.

In his article, Monitor calls on SNU to make public its findings. I agree with this. This will occur once the committee has held its basic discussions.

9336

CSO: 3613/64

## END TO HARBOR WORKERS' STRIKE SEEN AS VICTORY FOR SCHLUTER

Copenhagen BERLINGSKE TIDENDE in Danish 16 Feb 83 p 26

[Editorial]

[Text] The prolonged harbor conflict finally has ended. This marks the end of one of the most interesting labor conflicts in recent years. The conflict was interesting, but it also was costly. It was costly to the harbor, costly to businesses that are especially dependent on loading and unloading at the harbor, and perhaps costly to the harbor workers who participated in it, as well.

The conflict was interesting because it occurred when it did and took a course that reflected important aspects of political and labor conditions in Denmark today.

There is good reason to believe that the conflict was initiated in the hope that it would spread to other sectors of industry and develop into a massive show of power aimed at the government's labor policies. It was an attempt to carry out a general strike and sympathy was sought repeatedly from other sectors of labor.

This so-called mobilization of labor was unsuccessful. There was some scattered support. At the end of the conflict, however, the only faithful alliance partner was found to be the Seamen's Union. It was no coincidence that the decisive final meeting of the harbor workers in Arhus took place in premises belonging to the seamen.

Thus, there was a conflict between Preben Moller Hansen and his Common Course Club and the labor movement within LO (Federation of Trade Unions), primarily SiD (Semi-Skilled Workers' Union). Preben Moller Hansen lost the battle. It was found that SiD could not be held responsible for the conflict. This is reasonable because making the semi-skilled workers pay for the maneuvers of the seamen would be making the innocent suffer for the guilty.

It also is interesting to evaluate the conflict in terms of the government's policy. The conflict may be described briefly as an affair in which the government tested its strength against the highly organized left wing. The

government won because it held firm.

Even when Labor Minister Grethe Fenger Moller did not return home from Christmas vacation at the beginning of the conflict, it was clear that the government would attempt to remain aloof from what actually was a matter of negotiations. The government was successful. Without doubt, the government was pressured from many sides to make the political concessions demanded by the harbor workers. The government was correct, however, when it set a much higher priority on other--far more significant--sectors of the labor market.

The end of the conflict was a defeat for leftist forces in the labor movement. The labor minister and, therefore, the government are the victors. This is no minor victory, considering the determination of the forces the government was up against.

9336

CSO: 3613/64

## LEFT SOCIALIST PARTY SEEKS TO AVERT DECLINE BY RALLYING LEFT

Copenhagen BERLINGSKE TIDENDE in Danish 17 Feb 83 p 7

[Article by Solveig Rodsgaard]

[Text] "VS (Left Socialist Party) always has lived its own life inside four protective walls. The party has played by its own rules, used 90 percent of its resources internally within the party, and been incapable of directing its attention outward. This is why VS is facing major problems."

This was stated by VS parliamentary veteran Steen Folke. He told BERLINGSKE TIDENDE that VS must become involved in movements that go beyond political boundaries, such as the environmental movement, the women's movement, the peace movement, and the youth movement.

"Too often in the past we have stood apart from these movements. We have tried teach others about larger contexts and perspectives."

The internal problems have induced members of parliament Steen Folke, Preben Wilhjelm, and Mikael Waldorff and others to create the VS Forum, which is not a fraction of VS, but is open to nonmembers of VS. VS Forum was created last summer and now has 400 to 500 members.

#### Disintegration

Mikael Waldorff said that VS Forum was created in an attempt to save the left wing.

In an article in INFORMATION he wrote that the revolutionary left in Denmark was disintegrating. He also wrote that the economic crises was weakening the left wing, that the small, active groups of the seventies had disappeared, and that VS was of less and less significance both in the public debate and in the Gallup polls.

Mikael Waldorff also wrote that the political leadership of VS undauntedly carried on "prioritized party discussions," in which practically no one participated--and all the while there are fewer and fewer active members in the party.

Elsewhere he wrote, "VS has intensified its isolation by becoming entrenched in an avant-garde posture, which sees "The Party" as the movement's head and sees wage earners and movements as the body that must be guided along the right path."

"VS has denied its political origin and during the past few years strong currents within the party have transformed it into a small, male-dominated, organization-oriented group that is socialist-leftist in name only, but not in practice."

#### Dogged Optimism

Steen Folke told BERLINGSKE TIDENDE that he agreed totally with Mikael Waldorff's description of VS.

"This is why I see VS Forum as a rescue mission for the further development of the party. VS Forum consciously avoids becoming a fraction within VS. We do not wish to participate in the numerous fights among fractions under which the party has suffered for years. It must be able to function in a different manner and I am doggedly optimistic that we can put the party on course again."

Steen Folke sees the numerous meetings and the widespread support of VS Forum as an indication that there still is hope to put the party on its feet again.

#### Party Of Fractions

VS has been called the party of fractions. It celebrated its 15th anniversary last December. Through the years there has been much talk about a split in the party, but stress within the party has been most obvious in recent years. Many party members have felt despair over the rigid internal party structure with strict membership criteria and secrecy concerning the internal workings of the party and over the relatively weak response within the working class.

Even though VS takes no official position on the opinion polls, it cannot have gone unnoticed that according to the last two Gallup polls the party would have lost its seats in parliament, where it has been represented uninterruptedly since the 1975 elections.

Today VS holds five seats in parliament, but veterans Steen Folke and Preben Wilhjelm will not run for office in the next elections because of the party's internal rotation rule, according to which no one may hold a seat in parliament for more than 7 years. This probably will be a setback for the party during the upcoming election campaign.

9336

CSO: 3613/64



## EC MEMBER COUNTRIES DEMANDING CONCESSIONS FOR OLT STATUS

Copenhagen INFORMATION in Danish 22 Feb 83 p 2

[Text] Greenland will encounter serious difficulties in the upcoming negotiations on a new arrangement after its withdrawal from the Common Market.

This became clear during the talks last Monday among the EC ministers of foreign affairs.

Especially from the Dutch and West Germans sides, demands were raised for fisheries concessions on the part of Greenland in return for duty-free access to the EC area for Greenland products.

However, there was a new development when the Belgian minister of foreign affairs, Leo Tindemans--with the support of Italy--raised doubts as to Greenland's legal right to withdraw. He said that it was a question which had to be further elucidated. According to diplomatic observers, this evaluation is based on fears that if the United Kingdom should get a Labor government, such a government might want for the United Kingdom to withdraw from the EC, on the grounds that it was an easy and painless affair for Greenland to get out.

The Rome Treaty does not provide for the withdrawal of member countries. Theoretically, a membership is for good.

## No Prize

The doubts which were raised from certain quarters last Monday do not mean, however, that anybody will try to prevent Greenland from withdrawing from the EC. Everybody is aware of the fact that it is, in practice, impossible to hold on to Greenland, and this was also said during the meeting of ministers.

However, at the same time, it was stressed that Greenland will not be given a prize at the exit.

Contrary to Denmark, several of the other countries are of the opinion that it is very important for a fisheries agreement to be made with Greenland as a link in the establishment of a so-called OLT arrangement (for Overseas Lands and Territories).

Foreign Minister Uffe Ellemann-Jensen said that Greenland must not get a status at its withdrawal which is inferior to the status it would have had if it had never been a member.

He said that there is every indication that the negotiations on a new arrangement may be concluded under the West German chairmanship, which ends on 1 July. But, subsequently, the agreement will have to be ratified in the various parliaments, and Greenland will probably not be able to withdraw until after 1 January 1984, which was the original target date.

Uffe Ellemann-Jensen said in the council that "it is a question of a son who has reached the age of 18 and who wants to move away from home--but not to leave his family. One might be inclined to believe that an OLT status would involve enormous and unreasonable advantages for Greenland and corresponding unreasonable disadvantages for the EC, but that is not the case," the minister of foreign affairs said.

He went on to say that since Greenland does not fish in EC waters, the EC's consideration must consist in payment for the fishing licences.

He said, among other things: "Greenland does not have in mind that the EC must not in the future be able to fish off Greenland. The home rule government is ready to enter into a fisheries agreement with the EC which ensures a continuation of the fishing by EC countries off Greenland."

He said that "the matter is politically important," and he referred to Greenland as an area which geographically is of importance for the Western alliance.

"However, the security policy for Greenland remains completely unchanged. Greenland is firmly anchored in the NATO cooperation, and the Danish government and the Greenland home rule government both have the clear intention not to make any changes in this area," Ellemann-Jensen said.

7262

CSO: 3613/67

## SIUMUT PARTY LEADERSHIP WARNS OF UNILATERAL QUITTING OF EC

Godthaab GRØNLANDSPOSTEN in Danish 23 Feb 83 p 14

[Text] At a meeting held on 30 January, the executive committee of Siumut ["Forward"] provisionally approved 49 nominees for the Greenland parliamentary elections in the spring. Of the party's hitherto group, all, except for three, will run again.

The three exceptions are Thue Christiansen, member of the Greenland government, and members of the Greenland parliament Niels Nielsen, Narsaq and Frederik Rosbach, Ilulissat.

It was agreed at the meeting that nomination of Siumut's candidates for municipal boards, vestries and the councils of settlements be safeguarded by local party branches, it says in a press release.

The executive committee also discussed the negotiations in connection with Greenland's withdrawal from the EC. A resolution was adopted to the effect that unless the EC complies with the request on the part of Greenland for either an OLT status or a third-country status, a unilateral withdrawal must be prepared for the turn of the year 1983/84.

The statement will have to be viewed "in the light of the EC Commission's repeated negotiations in connection with the procedure to be followed at Greenland's withdrawal from the EC, and in the light of the most recent development in connection with the allocation by the EC of unjustifiably large quantities of fish in Greenland waters to West Germany," the press release states.

Unilateral withdrawal should, however, only be carried through if the EC Council of Ministers does not by 1 August mention Greenland's possibility of obtaining an OLT status. In that context, the executive committee requests the Greenland government to support the pressure exerted by the Danish government on the EC bodies for an early discussion of the Greenland issue.

If the EC does not make the desired declaration, the party will request the Greenland government to start negotiations as soon as possible on a third-country arrangement, so that withdrawal may take place by 1 January 1985.

7262

CSO: 3613/67

## CONSERVATIVE DAILY INTERPRETS POLL RESULTS

Oslo AFTENPOSTEN in Norwegian 19 Feb 83 p 2

[Editorial: "Conservative Party Holds Its Position"]

[Text] The latest political polls show that the relative strength of our parties is quite stable. No dramatic changes. No considerable shifts of votes. The Labor Party declines from 39.9 to 39.5. The Conservative Party advances from 29.3 to 30.4. The Christian People's Party loses a little and is left with 7.6 percent, and the Socialist Left Party makes a little gain, from 5.1 to 5.6 percent. Those are the most interesting figures. And the most interesting and remarkable thing about it in our opinion is that the Conservative Party is holding its position so well.

It is not a comfortable and popular situation to serve with a minority government in times like these. The government and the party are subjected almost daily to very strong complaints and reproaches. In this or that field the government is too hesitant, in other fields it is too rigid. In popular agitation, unemployment is the fault of the Conservative Party. When production drops, when foreign trade goes badly, when costs are too high, well, that is because we have a Conservative government.

And in the sometimes violent debate about our security and defense policy, and about the negotiations between East and West, it is said that Conservative Party people are willing to go further than the wildest "hawks" in Washington. Everybody else wants peace and tolerance. And peace movements of many kinds try to make people believe that peace must be combined with concessions. But now we find, fortunately, that in the voters' eyes the Conservative Party still stands as the guarantor of an active security policy and close cooperation with our allies. For Conservative Party people the latest poll figures must be a source of great pleasure and encouragement.

The Christian People's Party's score is not exactly dramatic, and for the Center Party the situation is fairly unchanged. But the question of a cooperative relationship among the three parties must not be raised again in this connection. It is almost painful to remember, but at one time the majority of the voters gave their support to a joint non-socialist policy. Well, a lot of things have happened since, both good and bad, and perhaps that should be allowed to rest right now. But we choose to interpret the figures and the signals that are gradually coming as a sign that the voters have not forgotten the scheme that

was served up to them before the election. And that today it is the Conservative Party that is the sure guarantor in these matters as well.

A number of political observers insist that the idea of cooperation is not very timely now. Utterances from leading people in the so-called middle parties should confirm that. Indeed, sometimes one can marvel at both utterances and resolutions. And it is easy to understand that uncertainty and doubt find expression on both the national and the local plane. But the voters still seem to be of the opinion that it is a common non-socialist policy that should be considered.

Thus far it is the Conservative Party that has done that job. And done it well. The voters appreciate that.

8815

CSO; 3639/72

## POLL INDICATES LITTLE CHANGE IN SUPPORT FOR PARTIES

Oslo AFTENPOSTEN in Norwegian 19 Feb 83 p 3

[Article by Arild Isegg]

[Text] The stability in the relative strength of the parties is persistent. This is confirmed again by the latest political poll by Norwegian Market Data. But the figures only indicate the status of voter support; they tell nothing about shifts that may have taken place from one party to another.

All changes in the January poll as compared to the month before are within the margin of error. The greatest positive deviation is registered for the Conservative Party, with a gain of 1.1 percentage points. Viewed over several months there is nothing in any case to indicate that the party is feeling the burden of governing responsibility in difficult economic times. It is at the same level as a year ago. The Labor Party is holding its position and obviously has gained nothing by its opposition policy. In the Norwegian Opinion Institute's poll, which was published earlier this week, there is, on the other hand, a negative trend for the Labor Party in contrast to the governing party.

The stable figures do not rule out the possibility that there have been moves from party to party. For example, it is quite conceivable that the Labor Party has lost voters because of its security policy shift, voters that may well have gone to the Conservative Party, while the Conservative Party may have lost voters as a result of dissatisfaction with the domestic political situation.

Nor does the poll indicate very telling fluctuations for the smaller parties, with the possible exception of the Christian People's Party. Apparently the party has had a drop, but only later polls can establish whether the decline of 0.9 percent is a transient phenomenon, a statistical accident, or whether it foreshadows a downward slide.

8815

CSO: 3639/72

## LABOR PARTY'S TNF STAND SEEN GAINING SUPPORT IN POLL

Oslo DAGBLADET in Norwegian 5 Feb 83 p 2

[Report by Gudleiv Forr]

[Text] The Labor Party has gotten good marks on its well-constructed rocket unity, and the Conservative Party has lost nothing in the new round by Kåre Willoch's extra pay.

That may be a reasonable comment on the MMI [Market and Media Institute] poll scores for January, which are published today. The Labor Party jumped forward by 1.9 percentage points in comparison to the reading in December, while the Conservative Party only dropped back 0.6 percentage points.

MMI's poll was taken during the period 18-25 January, at a time when the Labor Party's rocket compromise was taking shape. At the same time it became clearer that the unemployment figures were beginning to increase greatly. Both factors can be positive for the Labor Party, seen from a political market viewpoint.

The background figures show that the Labor Party still has great stability in its voter support of 1981. The Conservative Party is considerably worse off in that respect, and this explains the party's slight decline in relation to the election. The trend has been that way for several months.

The Christian People's Party for its part seems to have gotten a firm grip on a support of about 8 percent, and has the second greatest stability of all parties this month. The Center party, on the other hand, is doing poorly, with support of some 70 percent of those who voted for the party in the Storting elections. Otherwise there are only small changes since the last poll.

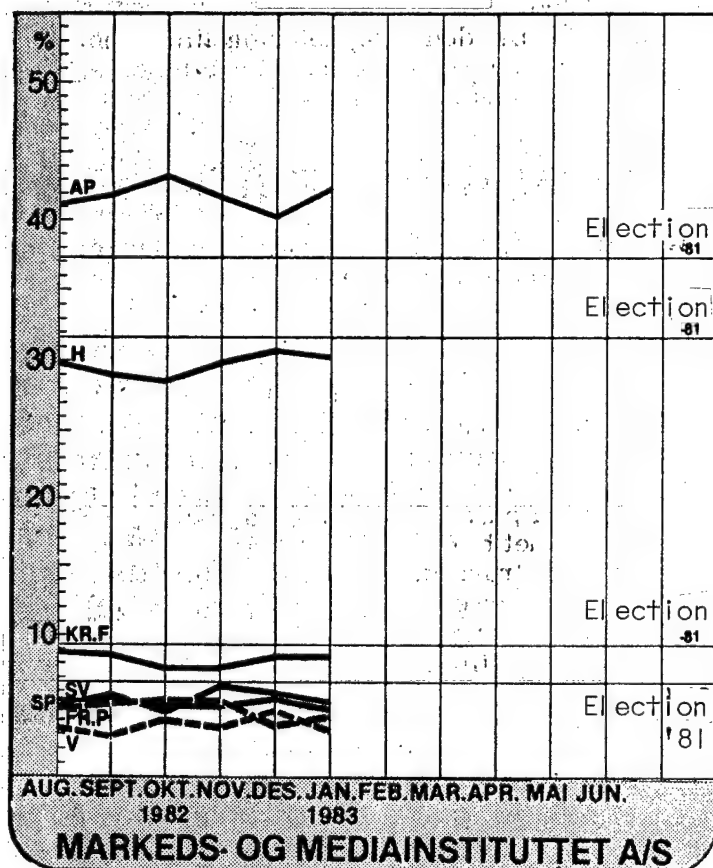
[See the table and graph on the next page.]

MARKET AND MEDIA INSTITUTE'S  
"PARTY BAROMETER"

Election	AP	SV	RV	NKP	H	KR.F	SP	DLF	V	FR.P	OTHER
SEP-81	37,1	5,0	0,7	0,3	31,8	9,3	8,6	0,6	3,9	4,5	0,2
DEC-82	40,3	5,6	0,3	0,3	30,7	8,4	5,9	0,3	4,7	3,5	0,0
JAN-83	42,2	4,9	0,6	0,5	30,1	8,4	5,4	0,4	3,1	4,4	0,0

Abbreviations:

AP = Labor Party  
SV = Socialist Left Party  
RV = Red Election Alliance  
NKP = Norwegian Communist Party  
H = Conservative Party  
KR.F = Christian People's Party  
SP = Center Party  
DLF = Liberal People's Party  
V = Liberal Party  
FR.P = Progressive Party



8815  
CS0; 3639/72



## VIEIRA DE CARVALHO NEW SECRETARY GENERAL OF CDS

Lisbon O JORNAL in Portuguese 25 Feb-3 Mar 83 p 10

[Article by Fernando Antunes]

[Text] The current secretary general of the CDS [Social Democratic Center Party]--elected to that post at the Maria Matos congress--was born and now lives in Maia, where he enjoys personal prestige and great popularity. His name is Jose Vieira de Carvalho, and his is not an unknown face among Christian Democrats, especially in the northern part of the country. To many of those who supported the winning line, he exemplifies the model of decentralization advocated by Lucas Pires: a "new organization for a renewed party."

At the age of 44, married, and the father of three, Vieira de Carvalho is the new man in the CDS apparatus. He was born in Maia, and all his ancestors have been "from Maia for centuries back." "I have always lived in Maia, except when I was studying in Lisbon and Porto at the School of Arts and Letters, and I devote all my efforts and abilities to Maia," he said in a brief interview with O JORNAL during the recent local elections, which made him chairman of the local municipal council.

Vieira de Carvalho, the son of a construction worker who emigrated to Brazil and died there, was chairman of the Maia Municipal Council between 1970 and 1974. In that post, he devoted particular attention to education, culture, basic infrastructure, and the municipality's economic and social development. He therefore occupied the same position and office on 24 April 1974 that he does now, and he maintained professional and friendly personal relations with Marcelo Caetano. He does not conceal his relations with the last head of the dictatorship, of whom he said--also to O JORNAL at the end of last year--"Prof Marcelo Caetano was a person I esteemed very highly and one for whom I had intellectual admiration. I am referring basically to Caetano as a professor and researcher."

#### Good Local Relations

Anacoreta Correia's successor--already being called the new CDS "strongbox"--has a licentiate in historical-philosophical science from Lisbon University. As a student, he was chairman of the Students Association at the Pius XII University College. An association leader at his school, he was chairman of the organizing committee for the First European Meeting of University Students (held in Lisbon) and also participated in many other events.

He was a conscript officer in Angola between 1961 and 1963. While still in the service, he headed the Psychotechnical Section of the Army Psychotechnical Studies Center.

The university teaching profession has been a constant concern for Vieira de Carvalho. He has held a teaching post at the School of Arts and Letters at Porto University since 1966, and in 1978, he was part of the group that established the Free University (of Porto) there.

A businessman and manager, Vieira de Carvalho was associated with the Porto Manufacturing Combine, where he was in charge of problems related to personnel policy. In 1979, he was on the staff of one of the executive departments at O PRIMEIRO DE JANEIRO, a job that he left for personal reasons.

In the CDS, Vieira de Carvalho has been assistant secretary general, and he is currently chairman of the Association of Centrist and Christian Democratic Local Elected Officials as well as a member of the Council of Europe for Regional Government "on behalf of the country, not the party," as he is careful to emphasize.

His activity as the top-ranking local official in the Municipality of Maia keeps him quite busy. Despite the decentralization that the new centrist political leadership intends to impart to the CDS, the fact is that the duties of secretary general will require that he stay in constant contact with party headquarters.

Vieira de Carvalho, who was a deputy in the former National Assembly, maintains the best of relations with the political forces in his municipality. In September of last year, before the local elections, he described those forces this way: "Maia is a municipality that is politically on the left (PS and APU), but I have never had any problems with those parties--on the contrary, there has been a wholesome spirit of cooperation. The reason is that my job as chairman of the council is to serve the people. And fortunately, those parties understand me."

Vieira de Carvalho is going to gain recognition as another kind of manager and also as an expert in "bridgebuilding." According to the CDS's figures, the financial balance is not negative. Apparently his job will be made easier as a result, but among the Christian Democrats, everyone knows that no party can live without any cares and that the election campaign is going to require considerable amounts of money. Because of the influence and prestige he enjoys among northern businessmen, it is said that Vieira de Carvalho is in an excellent position to obtain that support along the lines laid down by Lucas Pires--that is, a plan of renewal for the party with "a new model for political participation."

Under the bylaws, the structure of the general secretariat will help facilitate his task. Vieira de Carvalho will have the help of assistant secretaries general (a maximum of three elected by the Political Committee on his advice). And as secretary general, his duties will go beyond securing funds and administering the party's finances. He will also be responsible for harmonizing the party's activities with those of its autonomous organizations and directing the establishment of the CDS throughout the country by coordinating its local government policy, a task for which he is especially well suited.

## AZEVEDO SOARES NEW CHAIRMAN OF CDS EXECUTIVE COMMITTEE

Lisbon O JORNAL in Portuguese 25 Feb-3 Mar 83 p 10

[Text] Keeping constantly abreast of developments in the national and party political situation, representing the party in ongoing political negotiations, and implementing the political line laid down by the relevant party organizations are some of the duties of the Executive Committee following the amendments to the bylaws that were approved at the Maria Matos.

The person elected to head that body is Alfredo Albano de Castro de Azevedo Soares, currently minister of state for justice. His appointment is also the result of his ties of friendship with Lucas Pires as well as his thorough identification with the line that the latter successfully defended at the congress.

He is a native of Porto and has a licentiate in law from Coimbra University. He was acting public prosecutor in 1973 and then assistant to the minister of internal administration (Almeida e Costa) in the sixth provisional government and to the minister of defense (Firmino Miguel) in the first three constitutional governments.

As a deputy elected by the CDS [Social Democratic Center Party] in 1979 and 1980, he was deputy chairman of the parliamentary group and a member of the committees on constitutional affairs, national defense, and constitutional revision. As secretary of state for justice, his poor personal relations with the minister of justice, Social Democrat Meneres Pimentel, are well known.

11798

CSO: 3542/61

## BASILIO HORTA ELECTED CDS CONGRESS CHAIRMAN

Lisbon O JORNAL in Portuguese 25 Feb-3 Mar 83 p 9

[Text] Basilio Horta has just been elected chairman of the CDS [Social Democratic Center Party] Congress, a position that does not seem to tally with any break with the party's "historical" and "notable" leaders--he himself is one of the genuine "historicals." He is the survivor of the only troika that ever had any stability at the party level. He formed that troika along with the late Amaro da Costa and with Freitas do Amaral, who was to withdraw very recently from any and all political and party activity. The three formed a cohesive, coherent, and, from the party standpoint, very active team that will remain in the history of the CDS as a model of personal friendship, unity as to objectives, and political solidarity.

Basilio Adolfo de Mendonca Horta da Franca, who is not yet 40 years old, is a founding member of the CDS. He has been its secretary general and a member of the Secretariat of its Political Committee, deputy to the Constituent Assembly for the Lisbon district, and deputy to the Assembly of the Republic for the Braga district. He was minister of trade and tourism in the second constitutional government--from January to August 1978 (a coalition government with the PS [Socialist Party])--and returned to that same post in the AD [Democratic Alliance] government, which took office on 3 January 1980.

Also deputy chairman of the CDS, he was again part of the government team in the cabinet that took office on 9 January 1981. In that cabinet, he was minister assistant to the prime minister in the seventh government, a post he held until August 1981, when the government resigned. He remained in that post, however, until the new government took over. In September 1981, he returned as minister of agriculture, trade, and fisheries in the eighth government and remained in that post until the current government resigned.

When Freitas do Amaral voluntarily withdrew, Basilio Horta was faced with a doubly difficult situation: the AD was sinking ever more rapidly, and the CDS--the chief helmsman--was abandoning ship. Having assumed the chairmanship of the Executive Committee, he was to resign in an atmosphere of violent internal confrontation only to resume the post and immediately resign again at a time when the "historical" congress at the Maria Matos was already drawing near. As is known, Basilio Horta is the brother of Baiiao Horta, another member of the current government. In all probability, that tandem will break up when the next government is formed following the elections in April.

## NEW CDS POLITICAL COMMITTEE MEMBERS PROFILED

Lisbon O JORNAL in Portuguese 25 Feb-3 Mar 83 pp 8-9

[Article by Fernando Antunes]

[Text] Who will be in charge of the CDS [Social Democratic Center Party] after the congress at the Maria Matos? The practical effect of the amendments to the bylaws is to transform the Political Committee (a body of little consequence under the previous bylaws) into the normal and principal body for political decisionmaking. The Executive Committee, which used to carry all the political weight in the party apparatus, will now be merely a body for carrying out decisions--that is, responsible for implementing in practice the decisions reached by the Political Committee headed by Lucas Pires. This is a complete functional and statutory reversal in terms of the previous situation. In short, the Executive Committee is responsible politically to the Political Committee.

The bodies specified by the bylaws are clearly not restricted to the Political Committee and the specific weight it will carry in determining the party's strategy and tactics. Other bodies with obviously different profiles are the National Council, the Executive, Control, and Disciplinary Committees, the congress officers, and the secretary general. Elected to preside over the congress was one of the founders of the CDS, Basilio Horta, a friend of Freitas do Amaral and Amaro da Costa since the days when the party was established. The National Council, which consists expressly of members elected from uninominal lists, is headed by Adriano Moreira. The Executive Committee will be headed by Azevedo Soares, who is closely identified with the thinking of that former deputy chairman of the CDS. The National Control and Disciplinary Committees, which are of little importance under the bylaws, are headed respectively by Antonio Eusebio da Silva Ferreira and Manuel Cavaleiro Brandao--the latter a deputy in the present legislature. Lastly, the post of secretary general has been entrusted to a manager and local government official in the northern part of the country, Jose Vieira de Carvalho.

Lucas Pires' "Fifteen"

The elected Political Committee--the central body in the party--consists of 15 elected voting members, and each of the district structures has a seat on it. It is a body on which are represented the chairmen of the congress and the National Council, the chairman and deputy chairmen of the parliamentary group,

and the chairmen of the regional and district executive committees--that is, it is an expanded plenary body that will determine the party's political orientation in accordance with the strategy approved by the congress and the guidelines approved by the National Council. Naturally, it will also see to their implementation.

Lucas Pires will have the help of 15 elected voting members in that deliberative body. Three of them are members of the current cabinet that has now resigned (all of them secretaries of state) and three are deputies. Here is each one's profile:

Jose Luis da Cruz Vilaca: A friend of Lucas Pires from Coimbra, he teaches as an assistant to the Economic Group in that university's School of Law, where he is faculty chairman in political economy. He has worked with the Center Regional Coordination Committee and has a government background: secretary of state for internal administration in the sixth government, secretary of state to the Office of the Prime Minister in the seventh government, and secretary of state for European integration in the eighth government, eventually resigning from all those posts. He was born in Braga in 1944.

Jose Carvalho Cardoso is an agricultural engineer with a doctorate in agronomy from the University of Iowa in the United States. He was a deputy to the Assembly of the Republic for the Lisbon district in the first legislative session, in which he was deputy chairman of his parliamentary group. As chairman of the Lisbon District Executive Committee of the CDS, he was a member of the District Election Coordinating Committee for the AD [Democratic Alliance].

Manuel Franca e Silva was another of Basilio Horta's associates in the Ministry of Agriculture and Fisheries, where he is assistant secretary of state. Before that, he was secretary of state assistant to the minister assistant to the prime minister in the seventh government. He has served as deputy chairman of the Lisbon District Executive Committee of the CDS. He was born in 1942 and has a licentiate in finance.

Antonio Gomes de Pinho works hand in glove with Lucas Pires, for whom he acted as "eyes and ears" at the congress at the Maria Matos. At the age of 35, he is married, has a licentiate in law from Coimbra University, and is currently secretary of state for culture. At the Amaro da Costa Institute-IDL, of which he is a member, he was once head of the Department for Political Training and Civic Education.

Narana Coissoro has a licentiate in law and is a university professor and lawyer. He has been chairman of the Press Information Council of the Assembly of the Republic, deputy chairman of the CDS parliamentary group, and a member of the parliamentary committees on labor and education. In the latter position, he had serious disagreements with Vitor Crespo when the latter was minister of education, and in the final days of the most recent legislative session, he left the chamber when the mini-General State Budget was being voted on.

Henrique Pereira de Moraes: A deputy for the Braga district, he was deputy chairman of the centrist parliamentary group. A general practitioner, he was born in Vila do Conde and is 51 years old.

Francisco Gentil Martins is director of the Oncology 2 Clinic (Surgery) of the Portuguese Institute of Oncology and participates very actively in the debate on social questions linked to medicine. He is also chairman of the Portuguese Cancer League. Born in Lisbon in January 1927, he is a brother to Antonio Gentil Martins, chairman of the Order of Physicians.

He was a member of the CDS Strategy Committee when the latter was headed by Lucas Pires and has been a member of the Lisbon District Executive Committee for 4 years.

Luis Gallego: A well-known Lisbon lawyer, he was among the founders of the CDS. A member of the research staff, he engaged in outstanding activity as CDS leader in the Lisbon Municipal Assembly.

Joao Abrunhosa: An expert connected with the Ministry of Administrative Reform, he has been deputy director general of that ministry. He has also been deputy secretary general of the CDS. He was Carlos Robalo's chef de cabinet when the latter was secretary of state for administrative reform. He is 43 years old.

Manuel Rodrigues Queiro is a teaching assistant at the Coimbra School of Engineering and deputy chairman of the Professors Union, affiliated with the UGT. He is the son of Prof Afonso Queiro. He is also a Coimbra man--the dominant characteristic of most of the Political Committee's members: men who lived and studied in Coimbra, where Lucas Pires also spent some time.

Joaquim Rocha dos Santos has been a deputy in the Assembly of the Republic. He is a native of Leca da Palmeira, where he was born in 1935. He is connected with civil construction and is chairman of the Porto District Executive Committee of the CDS.

Pedro Feist is a very well-known businessman in Lisbon, where he is in the toy business. Of German descent, he is 40 years old and belongs to a family of Jewish origin that had to seek refuge in Portugal during World War II. He is chairman of the Union of Businessmen's Associations and deputy chairman of the Lisbon Municipal Assembly. He played handball under the Sporting Club's colors, achieving international status in that sport.

Jose Sarmento Moniz was chairman of the Satao Municipal Council and is now chairman of the Viseu District Executive Committee of the CDS. A lawyer, he is 34 years old.

Jose Augusto Gama: Born in northeastern Tras-os-Montes Province on 2 March 1942, he is the son of a former emigrant and is married to a former emigrant. He lived among Portuguese emigrants on the east coast of the United States for about 3 years. He is a senior official in the Ministry of Labor, from where he was purged in 1975. He is the CDS deputy for Portuguese emigrants outside Europe.

Firmino Monteiro dos Santos is chairman of the Setubal District Executive Committee of the CDS.

11798

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## PSOE THREATENS CENSURE MOTION AGAINST PUJOL

Madrid ABC in Spanish 6 Feb 83 p 26

[Article by Margarita Saenz-Diez]

[Text] Barcelona--Yesterday morning the first official meeting since the 28 October elections took place between the president of the Generalidad and the head of the Socialist Party, Raimon Obiois. The meeting was preceded by a policy of hostility toward the Catalan Government's actions, and did not change the position of either one of the participants. Jordi Pujol will continue to govern with a precarious majority, and the PSC [Socialist Party of Catalonia] will keep up its policy of active opposition. "If the Generalidad continues to deteriorate, we will not hesitate to present a censure motion in the Catalan parliament," the socialist leader stated.

As Obiois said, "After what President Pujol said, we only see a precarious desire to survive at the head of the government. On our part, we have complained about the difficult relations that exist between the government and the opposition, which prevent us from working together in tackling important matters in the country." An agreement between the CDC [Democratic Convergence of Catalonia] and the socialists would be essential in order to deal jointly with questions which are important to the autonomy of Catalonia. Convergencia is opposed to this, not wanting to be a captive of the socialist system. Therefore, they insist on retaining the support which they have had up to now--from Esquerra and the centrists--however fragile it may be.

Among the specific proposals received by President Pujol yesterday morning was an important group of measures for support of the Catalan communications media, irrespective of their ideological coloration. Specifically, there were proposals for a plan to aid the weekly EL MON, which has consolidated its prestige after 1 year of contact with the public; one for the correction of the autonomous government's policy regarding the granting of permits for FM radio stations; and the creation of an agreement regarding projects in the field of television.

The meeting between Jordi Pujol and Joan Reventos was the latest in a round of contacts between the Catalan political forces, which were initiated by



the socialists. Within a few days a meeting will be held with former president Tarradellas, and there will be a public announcement later as to the conclusions arrived at regarding the current situation. It is certain that they will be highly critical. As a result, there is no doubt that the presentation of a censure motion against Jordi Pujol by the PSC looms large, if they achieve the necessary votes which as of now seems difficult.

8131

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## PSOE AIMS FOR WIDE-SCALE MUNICIPAL VICTORIES

Madrid YA in Spanish 8 Feb 83 p 11

[Excerpt] The federal committee of the PSOE [Spanish Socialist Workers Party] agreed this past weekend "to gear up the whole party to achieve one objective: doubling the number of slates which were put up in 1979," as Guillermo Galeote, the man responsible for publicity, explained after the meeting. He was confident that if the election results obtained on 28 October were to be repeated, the PSOE would receive an absolute majority in 3,000 town councils, and they would be the slate with the most votes in 1,000 more. In any case, the Socialist Party will put up candidates in 80 percent of the towns.

The federal committee approved the report of the committee on municipal and autonomous affairs on "the procedure to be used in selecting candidates for the local elections." According to these standards, the slates will be put together by local groups, and the provincial, regional or national committees will draw up a proposal which will go to the federal committee, the body which will make up the slates in towns with more than 10,000 inhabitants. Galeote said that they are going to make an effort to design programs with an eye to the specific problems of each town, the electoral program of the party for 28 October and the government's projects. The committee on municipal and autonomous affairs will publish an election statement which will not go into the specific problems of each locality, and which will be one of the points of departure.

He also stated that a project is under way for the selection of candidates, and he expects that the slates will be ready between 15 and 20 March.

#### Independents on the Slates

The inclusion of independents on the slates was also approved, and Galeote says that they are attempting to include certain sectors which are in agreement with the political policy of change, like citizens' and ecology associations.

In regard to Madrid, it appears that there will be some changes among the present municipal councillors. In some cases, this is because they want

to retire; in others because they will move on to the autonomous body. There will also be changes in some mayors' offices in the area around Madrid--in some cases because they have gone on to the central administration, and in others because they want to leave the post.

The subject of the municipal elections highlighted the point that as of now the party is operating in slow motion. Specifically, it is thought that the programs and the election campaign are lagging very far behind. At this stage, it is not known if the campaign is going to be decentralized or not.

The members of the federal committees in charge of slates for the municipal and autonomous elections were chosen in the meeting. The committee for the municipal elections was made up of three members from the federal committee (Juan Colino, Antolin Sanchez and Alfonso Perales) and two members of the executive board, still by appointment; and the committee in charge of slates for the autonomous elections, in the same proportion, included representatives from the federal committee Leopoldo Torres and Alejandro Cercas y Margareto.

On another topic, Guillermo Galeote especially emphasized the communique issued by agreement of the federal committee, in which they assured that the party "expresses its total support for the government in the gigantic task which it has undertaken in particularly difficult circumstances."

Guillermo Galeote also declared that the Socialist Party is not going to make a statement regarding the document drawn up by the bishops relating to abortion. He said, "The church's position is natural; but what civil society does is make laws for everyone. Also, the government is not forcing anyone to do it."

Finally, he expressed his uneasiness about the treatment which the government of Felipe Gonzalez has generally received from the communications media --which is very different from that which was given to Adolfo Suarez or Calvo-Sotelo. He emphasized that they had not called any kind of truce, and they had tried to look for results after a few days, when the program is expected to take 4 years to complete. Also, a lack of initiative has been noted in the executive board of the party at the national level after the departure of Felipe Gonzalez, which has created some anxiety among the party's leaders.

8131

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## BUDGET, CONSTRUCTION TRENDS IN NAVAL FORCES FOR 1984-1988

Zurich NEUE ZUERCHER ZEITUNG in German 6-7 Feb 83 p 6

[Article by Christian Mueller: "'La Royale' Burdened by Age and Finances"]

[Text] Europe's only fleet with both nuclear submarines and catapult aircraft carriers is sailing into a nebulous future: In the next decade, the French navy, fourth most important in the world after those of the superpowers and Great Britain, is facing the threat of withering away because of dwindling financial resources under a simultaneous and constant increase in the cost of armaments. Whereas the maintenance of its nuclear and conventional capacity and the fulfillment of its strategic role in East-West deterrence or in North-South conflicts require more and more resources, it appears, in view of the great spectrum of its tasks, that there is a diminishing willingness to preserve the necessary strength for all missions.

In a letter warning of the effects of the official governmental project limitation equal to 3.895 percent of the gross domestic product in military planning for 1984-1988, Naval Chief of Staff Leenhardt has emphatically indicated the long-term consequences of such economic measures. Irreversible decisions threatened radical changes in the character of one of the most important tools of French foreign policy. He added that a fundamental investigation of navy tasks is urgent and he dramatically condensed the difficult situation into the alternative: either production of the 42 urgently needed up-to-date Breguet-Atlantic submarine-defense aircraft of the second generation or construction of the second generation of two new nuclear-powered catapult carriers. Under its current objectives, the navy urgently needs both parts of this alternative if it is to be fully operational by today's standards in the 1990's. The "unsatisfactory hypothesis" in this decision presentation amounts to calling for the squaring of the circle. Emphasizing the financial priorities for the six nuclear-missile submarines of the "Force oceanique strategique" (FOST), the Socialists' "Gaullist" course may, of course, still conjure up a rectangle for the "classical" navy. But is there still a halfway tolerable compromise when the fact is France is already finding it difficult to maintain a fleet of international standing with traditional "power projection" in addition to the costs for a floating nuclear second-strike capacity?

"La Royale", as the republic's high-sea fleet is honored, alluding to the Sun King and Colbert, as well as to the dark blue conservative elegance, now as never before enjoys great importance for France's overall defense. It has been awakened from its Breton Sleeping Beauty's sleep, little disturbed even when the colonial empire was being built, and has become more noticed by a nation that historically tended to concentrate on massive revolutionary land armies. In the budget, on the other hand, its 18-percent portion of the defense budget hardly reflects its larger role and additional responsibility. The Italian Navy, with no nuclear capacity and with its only mission in the Mediterranean and not also in the Atlantic, Indian and Pacific Oceans as is the case for the French, has the same percentage of the military budget, whereas Great Britain's fleet receives 29 percent and that of the United States 33 percent. In the extremely critical report of the defense commission of the National Assembly for the 1983 budget, this, in a manner comparable to Admiral Leenhardt's warnings, is sharply criticized, noting that 20 to 22 percent would be needed to be able to provide simultaneous East-West deterrence with nuclear submarines and North-South deterrence with aircraft carriers.

In the 1983 budget, of the Fr 23.8 billion for the navy, only 4.1406 billion is for the construction of classical fleet units. That is 17.33 percent of the navy budget, a decline of 1.02 percent compared with the previous year. With Fr 3.405 billion or 14.3 percent of the navy budget, on the other hand, the proportion of the budget going to FOST rose 26.24 percent. About 3,500 men serve in the FOST, whereas in all more than 68,000 serve in the navy. Of course, only about 4,500 are officers. Even with the system having more than 28,000 professional "officiers mariniens" or higher career noncommissioned officers, the French Navy shows a considerable shortage of officers. According to the Balance Commission, there should be twice as many. Although there is a total shortage of 5,500 service positions, the financial limitations now threaten to reduce the level by 5,000 men. That seems even more questionable, because the "Royale" has had to get along with practically the same level of personnel since 1965, although the later addition of the FOST increased its tasks. Since the navy, with only 18,000 inductees, is a highly professional service branch and its "showpiece" FOST is favored with financing and publicity, it seems that the negative aspects of the development of the classical fleet reach the public only very sporadically.

According to the parliamentary budget report, continued inclusion of the nuclear sector in the navy's overall budget threatens a setback in armament and the result could be that in the future it will no longer be possible to fulfill all missions. Especially suffering in approved construction projects is the "Aeronavale" or navy air force (-13.7 percent) but also the fleet (+5.9 percent) under the FOST, again favored with 23.9 percent growth. In 1982, the fleet received new construction totaling 17,235 tons, whereas it is to receive 12,460 tons in 1983. Excluding the FOST submarines (37,000 tons), the fleet, with 112 combat units (195,665 tons) and 49 support units (91,460 tons), has a total tonnage of 287,125. To ensure continuous renewal of the standard fleet, annual construction orders of 12,000 to 15,000 tons are needed. Instead, in 1983, construction will begin on only two additional guided-weapons destroyers (Corvette A.A.) with a total of 7,270 tons.

That exacerbates the tendency toward material obsolescence already criticized by the Balance Commission.

Following a time of great construction activity for the classical fleet in the 1950's, its continuous renewal practically fell victim to the formation of the FOST. Despite ambitious plans, such as most recently the "Maquette Marine 2000" in 1978 and partial modernization in many areas--including that of the two aircraft carriers "Clemenceau" and "Foch" to accommodate tactical nuclear air force units--it contracted. Here the phenomenon, also noted in all other large Western fleets, ended in a construction and financial bottleneck that can hardly be overcome. According to today's planning, France would soon have to begin simultaneous construction of a nuclear-missile submarine for about 5 billion, two nuclear catapult carriers for about 6 billion each and 42 Atlantic submarine-defense aircraft for 7 to 8 billion. It must also be concerned about replacing the Crusader and Super-Etendard of the navy air force in the 1990's. These important construction projects alone easily exceed the entire 1983 navy budget, of which almost half goes for normal operational and subsistence costs. Thus, the background for the admiralty's warnings is clear. Nevertheless, the government has still not decided. But further delay, particularly in the programs for the Atlantic G 2 and the two aircraft carriers, threatens to have irreversible consequences.

A new carrier would have to be ordered between 1981 and 1983 to replace the "Clemenceau", foreseen for 1992, and accordingly, another in the years 1986-1987 for the "Foch" to be taken out of service in 1998. Two carriers or none at all, that is the alternative for fleet operations. In contrast to the British decision in favor of exclusive support from smaller carriers for vertical-launch aircraft and helicopters, back under Giscard the decision was made to develop two nuclear catapult carriers--whoever gives up this special maritime know-how would have a hard time recovering it. Under Mitterrand, nothing was cancelled. But with credits of 30 million and 100 million for reactor development alone, the threat was that these 32,000 and 35,000-ton carriers, already informally named "Provence" and "Normandie", would become Flying Dutchmen. Referring to the experiences of the Falkland War, the "Royale" considers itself justified in its demands for true catapult carriers. There is no more talk of smaller carriers--the "Jeanne Arc", serving as a school ship, is a helicopter carrier.

Looming more definitely on the horizon is the Atlantic N6, urgently needed to replace the totally obsolete American P-2H-Neptune of the 25th flotilla in Lann-Bihoue, and the also scarcely adequate Atlantic G1 of the 21st through the 24th flotillas in Nimes-Garons and Lann-Bihoue. There are now barely 10 of the antique Neptunes and there are just over 30 Atlantic G1's. In view of the horrendous price for these aircraft crammed full of electronic equipment--as opposed to the first Atlantic, the FRG, with a view to NATO's AWACS, is no longer involved in the program--here, too, the decision to build was postponed. The credibility of French submarine defense is already suffering from it and will do so even more in the near future. With the construction of five nuclear fighter submarines--"Rubis" and "Saphir" are already in the water--a deficiency will, to be sure, be removed with a new class of which the Royal Navy already

has 11. Doubts about whether all of these programs, especially burdensome financially because they come at approximately the same time, can be fully realized present again and again the question about the future ability of the French fleet to operate in accordance with today's responsibilities.

9746

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## AIR FORCE TO REDUCE MANPOWER, AIR FLEET DUE TO BUDGET CUTS

Zurich NEUE ZUERCHER ZEITUNG in German 25 Feb 83 p 5,

[Article by Christian Mueller: "Mirage 2000 - A Mirage of the Year 2000?"]

[Text] Giscard described France as the world's third military power before he lost the competition for the Elysee Palace against Mitterrand. This election campaign exaggeration was immediately torn to pieces. In this connection, the favorite part of the antithesis was the comment especially provoking to the French mentality that the fighter aircraft fleet of France's air force in numbers was approximately the same as that of Czechoslovakia. Deducting Mirage IV A strategic nuclear bombers and half a hundred Mirage III B/BE and Jaguar E fighter trainers, the number is just over 450 fighters and thus indeed arithmetically in the range of the Czech level. The air force leadership had always energetically defended the 450 fighters as a minimum.

In view of the projected ceiling of the defense budget in 1984-1988 at 3.895 percent of the gross domestic product, some time ago Air Force Chief of Staff Capillon had to issue the warning that, by such a limitation while dissolving one quarter of the present 21 fighter squadrons, the air force could shrink to a mere 300 fighters by the end of the 90's. In that case orders for only 22 new fighters would be placed annually instead of the required 37. Thus does this Mirage 2000 "Star Fighter" with all its technical excellence threaten to become a symbolic-macabre synonym for a "mirage of the year 2000"? It is being introduced this year after a long delay. It was extolled worldwide and has already been sold to India and Egypt.

At first glance, the financial treatment of the air force in the defense budget was not so unfavorable. It will receive 21.47 percent of the budget as against 21.12 percent in FY 1982. For, total expenditures of 28.619 billion francs signify an increase of 10.28 percent, clearly higher than the budget growth of 8.43 percent. But this exceedingly important growth rate amounted to 16.95 percent in 1982 and to 19.65 percent in 1981. The price increases for technology are especially high for the air force. The mirage of financial preference disappears even more if the growth rate of only 5.62 percent for the approved orders is considered, which is more than 3 percent below the rate of inflation. Of the 28.619 billion, 15.47 billion, or only 10.91 percent more than in 1982, is directly earmarked for expenditures for new armament materiel, even though a need for a lot of catching up has



accumulated because of 1982 cancellations of credit and deliveries. The budget reporter -- who indicated his "worries," pointed out the difficulty of making up some program delays, and finally recommended rejection of the air force budget which was not accepted by the leftist majority -- drew the conclusion from the foreseeable financial development, according to which the operational readiness for action of the French air force and its credibility overall were in danger of jeopardy.

#### Industry as Lifeline

To the parliamentary dramatization was added no less seriously the air force chief of staff's prospects for the future in case of a further "freeze trend." According to the not yet finally projected reduction, the air force, which numbers 38,000 draftees among its just over 100,000-man mostly professional force, would have to reduce its manpower by 7,000 men over the next 5 years and the now barely adequate total number of flying hours from 410,000 to 400,000. The manpower reduction would mean about 1,700 fewer officers and NCOs, which, in terms of manpower deployment, according to the chief of staff is comparable to 2 of the more than 30 air bases. It is premature to conclude that therefore the shutting down of two such facilities is imminent. Once again the tactical calculation of this budget fight argumentation must be pointed out. Nevertheless there is food for thought in the statement by the top air force officer that "position and future of the air force" are "at stake."

The position of the air force looks rather precarious compared to that of the classical navy with close training and operational ties to the Fost nuclear submarine fleet, the main element of deterrence, but also in comparison to the army which does not appear to be equally expensive and sensitive and politically may be more deeply embedded in the awareness of the nation as a consequence of the compulsory military service ideology. Savings hit it comparatively harder because of the exponential price curve of its equipment. Despite the ASMP nuclear standoff missile, the role of its flying component in the strategic nuclear deterrence is likely to decrease while the ground-based successor to the S 3 on the Plateau d'Albion merely wanders ghostlike through plans as a financially horrendous SX abbreviation. In the end, will the nationalized national aircraft industry be the decisive crutch for the *raison d'etre* of an adequately armed and effective French air force for reasons of labor market policy and foreign trade? At any rate the chief of staff in his warning cry did not shy away from this sociopolitical-commercial argument.

#### Order Backlog and Radar Requirements

The budget report had already complained that the subsequent credit stop and the delivery reductions had created a dangerous backlog that will conjure up the danger of the elimination of one to two squadrons between 1992 and 1995.

Financial reasons are not the sole cause for the fact that there is already a deficit of 40 Mirage 2000 in the air force, the first unit of which in the DA (air defense) version, as the new generation air defense fighter, will be assigned this year. Originally it had been planned to order 25 in 1982; however, that order was cancelled in favor of continued delivery of the Mirage F-1, which was first introduced in 1973, as a stopgap measure. Additional 21 units of the C version were ordered, of which the interceptor

squadrons had a total of 123. For admittedly there were also problems in the development of the Mirage 2000, which on the other hand also reveals limits of French armament problems even though the level of technology of the aircraft industry continues to signify a formidable achievement. The difficulties with the 2000 DA concern the latest version of the "look-down" radar, called RDI, which is to be installed as series production not before the end of 1986. Until that time, the super fighter with the not fully adequate RDM radar of the export version is a kind of mirage. The Mirage 2000 N nuclear penetration version is also not planned for delivery until that time. This aircraft, a low level aircraft, poses completely different problems of terrain-following radar under the codeword "Antilope 5", for which mainly plan data also must be first obtained.

#### "Extending the Life of Equipment" and Then What?

What causes apprehension above all is the fact that even prior to the start of the nightmare of annual orders for merely 22 aircraft -- in 1983 only 30 fighters were ordered, 15 Mirage 2000 each in DA and N versions. To maintain a fleet of 450 aircraft, annual orders of 33 aircraft are necessary if the average "life" of an aircraft generation is estimated at 20 years. According to budget calculations, up to 1992 annual aircraft orders should number 37 aircraft instead of merely 30 on account of the 1982 cancellation of orders. Therefore, how under these circumstances is it possible to maintain the vision of 450 fighters in view of the planned economy measures for the next planning period? It is true, a series of "measures to extend life" of Mirage IIIC and E and later on also for the Jaguar A are planned. Even though this "makeshift effort" hardly imitates the more alarming aircraft customs of the two countries located to the east, in front of the Alps, this also indicates a reduction of fighting strength combined with dwindling profitability.

To complete the picture concerning the burden of fighter procurement, it is necessary, regardless of the outstanding Mirage-2000, to mention the fighter bomber replacement due in 1995, which should now take on more concrete forms under the designation ACX (experimental fighter), whereby no decision has as yet been made concerning European participation, for example of the Germans, or an even more expensive solo effort. Assuming the above-mentioned "extending of the life of the aircraft" may again grant a short delay: the emerging financial burden constitutes a new strain on the French air force whose operational framework is inhibited even now by a series of other restrictions and inadequately filled gaps in other air force sectors, not only for fighters.

12356

CSO: 3620/233

## NO CHANGE PLANNED IN DRAFT AGE

Athens I KATHIMERINI in Greek 9 Feb 83 p 2

[Text] There will be no change in the current regulation regarding conscription and no modification in the status quo of draft deferments. The relative bill, which has already been prepared by the Ministry of National Defense, simply codifies the existing regulations which are scattered among different laws, as stated yesterday by deputy minister for National Defense, Mr. And. Drosogiannis.

Thus, the eventuality of a call-up of youths of 18 was definitely avoided.

According to the dispositions relative to legislative regulations 720/1970 and 3850/1958:

Normally, youths in their 19th year are called up for military service.

Up to two years deferment from military service is granted for the completion of a high school education and to age 29 for the completion of a university education.

Mr. Drosogiannis stated that, as was determined by the study made, the call-up for military service at age 18 presents many weaknesses in view of the fact that, with today's technology, it is essential to have specialized personnel in the Armed Forces. However, there are no youths of 18 who are specialists and, naturally, it is unprofitable from the point of view of time and money for the Armed Forces to train youths.

The bill has already been sent to the three services of the Armed Forces in order for them to study it in its final form and to suggest changes, if any, before it is presented in the Chamber of Deputies.

9731

CSO: 5321/214

## PUBLIC OPPOSITION TO PREVEZA AWACS BASE CONSTRUCTION

Athens ETHNOS in Greek 7 Feb 83 pp 20, 21

[Excerpts] The brain of NATO is being presently set up in Preveza. The workers are at work night and day. American officers arrive on night flights to inspect. Usually they sleep in the new luxury hotel owned by a cigarette smuggler who has connections with the Italians in Naples.

"We know that the Soviets have weapons aimed at every NATO weapon. At this moment some counter-measure weapon is aimed at Preveza..."

Takis Gennias, a painter, is the secretary of the Committee for the Struggle against the Aktion Base. He is the one who says that Preveza will be one of the first nuclear targets. In any event, the airport at Aktion should be completed, according to reliable information, during 1983. Here will land the famous AWACS E-3A. They are the brains of NATO.

Eighteen AWACS aircraft have been built already and, according to our sources, are presently stationed at their central base near the city of Gelsenkirchen in West Germany. It is not known how many of these will arrive at Preveza.

There is no resident of the Greater Preveza Nome area who has not heard about the AWACS. The local dignitaries of the city who, with interviews corroborate our investigation, attribute the stagnation of the area to its strategic position. For twenty years now Preveza has not grown beyond 7,000 inhabitants while the greater area has reached 60,000.

The purpose of the AWACS plan is to fill the vacuum left by the closing of the spy bases in Libya and Iran and to prepare, as reported in the information pamphlet of the Preveza Committee for Struggle, a "limited-scale nuclear war in Europe." While the talks with the Americans are already in their most critical stage, the military experts point out that:

It is very probable that the Americans will accept the closing of two outposts (one at the Nea Makri base and one at Gournes) so that it will appear that they are giving up something. In fact, however, not only will they have not given in, but, on the contrary, they will come out ahead because these outposts, which use obsolete spying equipment, will be replaced by the AWACS aircraft.

The mayor of Preveza, Mr. Nikos Giannoulis, stated the following to ETHNOS:

"We do not wish to spy on anyone, nor to take on the whole world."

The work at Aktion, however, continues at an intense rate. In this year's regular budget, 347 million drachmai have been listed under code number 4,000 (meaning NATO expenditures) and 30 million drachmai for the Ministry of Finance. In addition, in the budget for public investments and under code number 8,800, two billion drachmai were allotted to the Ministry of Communications "for airports." The total expenditures for the airport being built at Aktion will surpass 2.5 billion drachmai.

In any event, at this time, the Ministry of National Defense does not share the concern of the residents of Preveza.

Dimitrios Loupas of Preveza is the editor of ADESMEVTOS [Unbound] and a city councilman of the PASOK coalition. Dimitris, who is also a member--and one of the most dynamic--of the Committee for Struggle against the Aktion Base, said on the morning of day before yesterday:

"Our party has taken an explicit and very clear position against the foreign bases. The government is performing political maneuvering. We, here in Preveza, are afraid of the future with the presence of the AWACS aircraft."

[8 Feb 83 pp 20, 21]

The great majority of the people of Preveza belong to the progressive sector. In the 1981 election PASOK obtained 46 percent of the vote and the KKE 19 percent. The municipal elections brought about the election of a mayor who, even though he was a candidate on the Popular Democratic Unity ticket, is politically a member of the KKE. The coalition of PASOK and the KKE collectively obtained 70 percent of the votes in the municipal elections.

Regarding the construction at Aktion, Dimitris Loupas states:

"They have made great progress and from time to time several officers come from abroad and inspect the works as if they were their own. They treat the Greeks who work there as if they were slaves. You would think we are their subordinates."

Spiros Khelidonis is the treasurer of the Builders' Association in Preveza. He gives us the information he has:

"The 'TRIGONO' has placed double sentries in the work areas and the workers work overtime, even during the night. Officers in jeeps check on them from time to time. All indications are that they are interested in completing the construction as soon as possible."

The mayor of Preveza, Nikos Giannoulis, says about the AWACS aircraft:

"They tell us that all the intelligence they collect they will also give to Athens. This is ridiculous. We have good reason to believe that the information will go to Naples. No matter how things may be, we do not wish to spy on anyone and, moreover, we do not wish to become anybody's target. After all, the AWACS will have ground crews and technicians. They will seek lodgings in Preveza."

But the people of Preveza, aware of what happened in Elefsina and what is happening in Glyfada, will not allow it."

Now the mayor is planning "Ten Days of Peace" in cooperation with various leaders of the greater area.

According to what he states,

Aktion is not only Preveza's concern, it is everyone's concern, of Arta, of Ioannina, of Agrinion, and of Levkada.

Takis Gennias, the painter who has in his hands the folder on the bases, is the last one to speak in the investigation. Gennias also reports that during the past two years NATO officials come to Aktion on night flights.

"Especially on days of alerts," he says. "Anyway, I believe that the runway being built will be able to accommodate heavy B-52 bombers which lately have been modified to carry "Cruise" missiles. Even if this does not happen we call the base a nuclear one, not because it has nuclear warheads, but because it will be subject to nuclear attack. We know very well that the AWACS complement the Pershing missiles."

Now Preveza is up in arms. Its residents will struggle with the hope that their town will be erased from the operations map of the Warsaw Pact. Finally, they understand why Preveza has been condemned to chronic stagnation.

9731

CSO: 3521/214

## OUTLINE OF LONG-RANGE DEFENSE PLAN REVEALED

Oslo AFTENPOSTEN in Norwegian 16 Feb 83 p 5

[Article by Terje Svabø: "Defense Must Cut Down"]

[Text] Defense must base its long-term planning up to 1988 on a certain reduction and change of priorities of existing activity. From the guidelines under which work is now going on in the Ministry of Defense it appears that one of the main objectives must be to reduce the portion of the total budget that goes into operating expenses in order to meet the materiel needs of the future. The report will be presented to the Storting during the spring session.

The immediate cause of the necessity of undertaking a certain reduction and saving is that the Defense build-up plan did not follow the approved budget. For that reason a disparity arose between the budget premises and the actual budget development. This disparity must now be remedied in connection with the presentation of the new 5-year plan, and first and foremost by a change in priorities such that future materiel needs are given priority.

There will also be a report from the Ministry of Defense this spring favoring discontinuing the horse service in the Armed Forces, a service that there has been controversy over for many years. As Defense Minister Anders C. Sjaastad warned, a proposal will also be presented concerning the NATO infrastructure program, Section 34, which deals with Norway's contribution to preparations for eventual stationing of new atomic rockets in West Europe.

During the current spring session a number of proposals and reports will be presented by the government that will require extensive consideration by the Storting. Not all of them can be dealt with this spring, but that is also the case with the proposals that are expected from the Ministry of Industry.

It is the future of the state enterprises that is now taking up much of the working time in the Ministry of Industry, and in the course of the spring session the Storting will get the following matters to deal with:

The question of liquidity support to Norsk Koksverk and evaluation of the need for possibly supplying state capital to NORD-Offshore in the Sandnes Sea. In addition, the future operation in Sulitjelma will come up against the

background of a proposal that takes a position on whether the operation shall continue and in which the government estimates the need for possibly supplying state capital.

A big debate can be expected about DNN [expansion unknown], Tyssedal, and the building of an ilmenite works when the government, presumably during March, presents a proposal on the matter. The background is that last year the Storting decided not to continue with aluminum production in Tyssedal.

In addition, the Storting must deal this spring with the proposed organizational plan for Norsk Jernverk and take a position on the future operation of A/S Sydvaranger and its need for support.

8815

CSO; 3639/76



## SIMULATED SOVIET ATTACK ON AIR BASES USED FOR DEFENSE STUDY

Oslo AFTENPOSTEN in Norwegian 21 Feb 83 p 22

[Article by Knut Falchenberg]

[Text] A study of future rocket antiaircraft defense of Norwegian airfields previously classified secret was completed Friday [19 February] at the Research Institute for Defense (FFI) at Kjeller. The researchers used advanced computer programs to simulate how current Soviet aircraft types may behave during an attack against the individual airfield. For the first time in Norway there has been a reasonably thorough analysis of how electronic warfare overall can affect all elements of a rocket defense. As is well known, Antiaircraft Defense is thinking of buying a billion kroner's worth of antiaircraft rockets.

It was an extensive use of computers that made it possible to arrive at such a detailed analysis as the one now available for study.

The whole "systems group" at FFI laid other jobs aside for 2.5 months and devoted all its forces to getting the report done. It will be part of the data on which the decision is based when the Air Defense Supply Command presents its recommendation by 1 March. After that the commander in chief of the armed forces will have his say, and then it will be a matter for the top echelon of the Ministry of Defense to choose among such systems as Roland, Rapier, and several combinations of Hawk. According to the plan the rockets will be set up around selected airfields to keep enemy planes at a distance in case of war.

In the analysis by the Research Institute for Defense the threat was divided into two main parts. Soviet pursuit planes and so-called fighter-bombers were considered, and the available information was fed into the computers. Another main group of planes was the longer-range bombers the Russians have, such as Backfire and Badger. For all of these plane types the researchers took account of the range with different types of arms on board, the planes' distinctive attack profiles, their weapons systems, and other characteristics.

In addition the researchers fed into the computers topographic maps of the areas around every single Norwegian airfield that has been evaluated. Such so-called digitalized cartographic information is available now for the whole

country. With it one can simulate the part the terrain will play, both for attacking planes and for the defenders' antiaircraft batteries on the hill. In contrast to earlier evaluations, which were done more approximately, the researchers say they now know something about how the various rocket systems will work in Norwegian terrain.

Ragnvald Solstrand, the research chief, said in a comment to AFTENPOSTEN that he personally has revised his thinking somewhat with regard to the long-range rocket systems' capability of operating in difficult terrain. He had believed that the longer-range Hawk system would be hampered somewhat more by the protection offered by the terrain than the analysis shows.

"But the evaluation of such systems is very complicated, and all systems have their advantages and their shortcomings," says Solstrand, who has directed the research group.

"For the first time here in Norway we have undertaken reasonably detailed investigations of how the attacker's electronic countermeasures affect anti-aircraft defense. Not only how the individual radar can be confused or 'deceived,' but the effect on all radars that are working together, and also the whole complicated fire-control system. We have also studied electronic countermeasures at several power levels," says Solstrand. The decision-makers have been kept continuously informed about the researchers' results and recommendations.

8815

CSO: 3639/76

MILITARY

NORWAY

#### BRIEFS

EXERCISES PLANNED IN NORTH (NTB)--About 10,000 soldiers will take part in the winter exercise in the North Norway Defense Command, exercise "Cold Winter 83." It will be held in the Gratangen-Bjerkvik-Ofoten Peninsula areas from 3 to 17 March. The brigade in North Norway will be reinforced with a Canadian battalion during the exercise. In addition a reduced brigade composed of British and Dutch marines, a British battalion, and a reduced brigade of the U.S. Marine Corps will take part. The forces will be supported by Norwegian and allied sea and air forces. [Text] [Oslo AFTENPOSTEN in Norwegian 21 Feb 83 p 22] 8815

LASER RANGE-FINDERS FOR SWEDISH TANKS--The Simrad subsidiary Simrad Optronics A/S in Oslo has signed a 30 million kroner contract with Bofors to supply laser range-finders. The equipment will be used on the "S" tank which Bofors is under contract to modernize for the Swedish armed forces. Simrad Optronics, which works with high technology in the electron optical field, now has orders on hand amounting to ca. 100 million kroner. [Text] [Oslo AFTENPOSTEN in Norwegian 16 Feb 83 p 4] 8815

CSO: 3639/76

## ARMS INDUSTRY POSSIBILITY FOR BASQUE REGION

Guipuzcoa EGIN in Spanish 13 Feb 83 p 9

[Text] Bilbao--"The Basque Country is the most ideal and appropriate place to generate new industrial activities in the arms sector because its manpower and raw materials are available on the spot so that the creation of new jobs is possible and the problem of excess plant capacity found at Aceriales [Iron and Steel Corporation] can be solved, according to the statement made to EGIN yesterday by Vicente Carretero, delegate adviser of S.A. Echavarria [Echavarria, Inc] and adviser to Aceriales whose directorship is vacant following the transfer of its executive vice president, Mr Santos, to the executive of the Industrias Siderometalurgicas y Navales [Iron, Steel, Metallurgical, and Naval Industries].

Vicente Carretero made this statement yesterday on being asked by us about the plans of Aceriales concerning the now familiar McKinsey [management consultants'] study, which anticipates major reductions in plant capacity in all of its five planned options, which we mentioned only yesterday.

For Vicente Carretero, the McKinsey report is a basic study but one which "does not take social conditions into account" and, even though its theoretical approach can be "very interesting," many of its conclusions are not applicable now, including perhaps the consolidation of the sector into three enterprises and the elimination of eight, given the high social cost." In this respect Carretero noted that "Aceriales does not have any reason to adopt any of the alternatives which McKinsey proposes or to apply literally any of same."

"Before anything else," Carretero explained, "it is necessary to study the plan of industrial concentration together with solutions of diversification of activities which would relieve the problem of excess plant capacity." He went on to say that "Spain, which as a steel consumer ranks with Third World countries, should work itself up to the European level in this respect."

It is in this context that Carretero sees the possibility of creating new industrial operations such as that of the arms industry in the Basque country

because of the existing manpower and raw materials, such as steel, which are located there inasmuch as Spain's arms industry, both military and that run by the INI [National Institute of Industry] or private firms, is obsolete. The adviser of S.A. Echavarria and Aceriales said that he is studying the issue and that he believes that from now on new solutions can be found to meet the problem of excess plant capacity and the recession in Spain's iron and steel sector. According to him Austria solved the problem of its special steel sector through its arms industry.

#### Negotiation

Regarding the issue of the negotiation of the McKinsey plan for Aceriales, Vicente Carretero noted that so far meetings have been held with the three union federations--CCOO [Workers Commissions], ELA-STV [Solidarity of Basque Workers], and the UGT [General Union of Workers] trade unions--where the McKinsey study was explained without any negotiations getting under way so far. Before reaching the stage of negotiations proper, Aceriales will have to draw up a plan that would mesh with the reindustrialization plans of the Ministry of Industry and which should be ready around the middle or end of March. Following the presentation of the plan to the administration and its approval of the corresponding financial assistance, negotiations would then get under way with the trade union federations. Assuming the holding of municipal elections, it is foreseeable that negotiations would not be initiated till after they are over.

2662

CSO: 3548/209

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